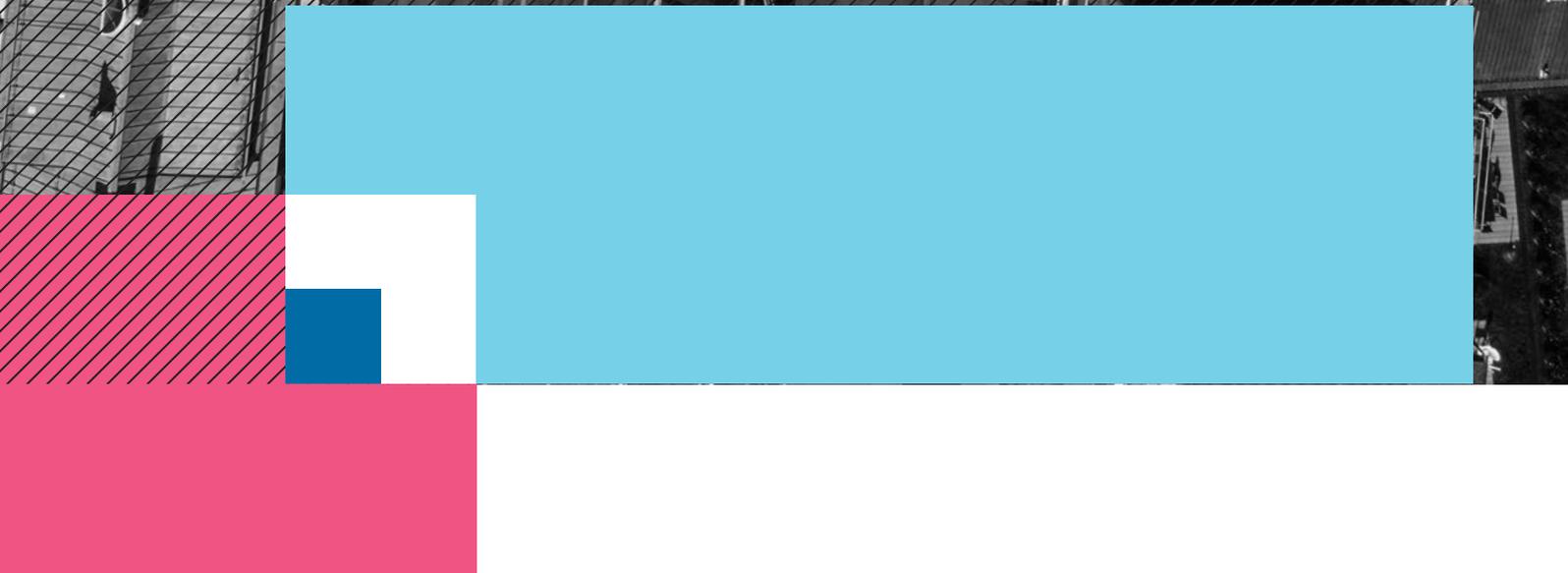


# Vontobel

Half-Year Report

# 2020



## Ratios

	H1 2020	H1 2019	H2 2019
Return on shareholders' equity (ROE) (%) <sup>1</sup>	13.4	14.3	14.2
Cost/income ratio (%)	74.7	75.8	75.3
Equity ratio (%)	6.1	6.3	6.9
Basel III leverage ratio (%)	4.8	4.9	5.2

1 Group net profit annualized as a percentage of average equity based on monthly figures, both without minority interests

## Share data

	H1 2020	H1 2019	H2 2019
Basic earnings per share (CHF) <sup>1</sup>	2.18	2.23	2.26
Diluted earnings per share (CHF) <sup>1</sup>	2.14	2.19	2.20
Equity per share outstanding at balance sheet date (CHF)	31.31	30.78	32.71
Price/book value per share	2.1	1.8	2.1
Price/earnings <sup>2</sup> per share	15.3	12.2	15.3
Share price at balance sheet date (CHF)	66.45	54.30	69.15
High (CHF)	74.90	61.10	69.70
Low (CHF)	36.12	49.72	49.96
Market capitalization nominal capital (CHF mn)	3,779.3	3,088.3	3,932.9
Market capitalization less treasury shares (CHF mn)	3,725.6	3,054.6	3,833.2
Undiluted weighted average number of shares	55,897,367	55,970,190	55,901,396

1 Basis: weighted average number of shares

2 Annualized

## Performance of Vontobel Holding AG registered share (indexed)



Source: Bloomberg

## Share information

Stock exchange listing	SIX Swiss Exchange
ISIN	CH001 233 554 0
Security number	1 233 554
Par value	CHF 1.00
Bloomberg	VONN SW
Reuters	VONTZn.S
Telekurs	VONN

## BIS capital ratios

	30.06.2020	30.06.2019	31.12.2019
CET1 capital ratio (%)	13.8	12.3	13.5
CET1 capital (CHF mn)	972.3	924.9	949.4
Tier 1 capital ratio (%)	20.2	18.2	19.9
Tier 1 capital (CHF mn)	1,420.7	1,372.8	1,397.5
Risk weighted positions (CHF mn)	7,037.7	7,540.4	7,039.3

## Risk ratio

CHF MN	H1 2020	H1 2019	H2 2019
Average Value at Risk market risk	11.4	6.1	6.3

Average Value at Risk 6 months for positions of Vontobel. Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

## Rating

	30.06.2020	30.06.2019	31.12.2019
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	Aa3

## Operating income by Client Unit

	H1 2020 CHF MN	H1 2019 CHF MN	H2 2019 CHF MN	CHANGE IN % TO H1 2019
Asset Management	248.5	238.1	271.6	4
Platforms & Services	73.4	77.1	73.8	-5
Wealth Management	215.5	210.8	218.5	2
Digital Investing	89.2	85.7	75.2	4

## Consolidated income statement

	H1 2020 CHF MN	H1 2019 CHF MN	H2 2019 CHF MN	CHANGE IN % TO H1 2019
Operating income	623.0	625.6	636.2	0
Operating expense	466.9	476.1	479.1	-2
Group net profit	129.2	131.1	134.0	-1
<i>of which allocated to minority interests</i>	7.5	6.4	7.6	17
<i>of which allocated to the shareholders of Vontobel Holding AG</i>	121.6	124.7	126.3	-2

## Consolidated balance sheet

	30.06.2020 CHF MN	30.06.2019 CHF MN	31.12.2019 CHF MN	CHANGE IN % TO 31.12.2019
Total assets	28,596.6	27,364.7	26,240.3	9
Shareholders' equity (excl. minority interests)	1,755.4	1,731.3	1,813.3	-3
Loans	5,385.9	5,136.3	5,046.2	7
Due to customers	12,244.2	11,304.1	10,506.4	17

## Client assets

	30.06.2020 CHF BN	30.06.2019 CHF BN	31.12.2019 CHF BN	CHANGE IN % TO 31.12.2019
Assets under management	193.4	186.0	198.9	-3
<i>of which under discretionary management</i>	131.2	120.0	130.6	0
<i>of which under non-discretionary management</i>	62.2	66.0	68.2	-9
Other advised client assets	15.4	16.6	16.5	-7
Structured products and debt instruments outstanding	9.8	10.3	10.7	-8
<b>Total advised client assets</b>	<b>218.6</b>	<b>212.9</b>	<b>226.1</b>	<b>-3</b>
Custody assets	61.5	59.2	62.3	-1
<b>Total client assets</b>	<b>280.2</b>	<b>272.2</b>	<b>288.4</b>	<b>-3</b>

## Net new money

	H1 2020 CHF BN	H1 2019 CHF BN	H2 2019 CHF BN
Net new money	7.4	5.3	6.4

## Personnel (full-time equivalents)

	30.06.2020	30.06.2019	31.12.2019	CHANGE IN % TO 31.12.2019
Number of employees Switzerland	1,636.6	1,666.1	1,636.8	-0
Number of employees abroad	360.4	334.6	344.8	5
<b>Total number of employees</b>	<b>1,997.0</b>	<b>2,000.7</b>	<b>1,981.6</b>	<b>1</b>

# Award-winning businesses



**In recent months, we once again received a number of industry awards in recognition of our company-wide expertise, which enables us to generate sustained value for our clients.**

## Brand

For approximately 65 years, the renowned Red Dot Award has provided agencies and companies with a platform for evaluating design. The Red Dot has become one of the most sought-after international seals for good design quality. Under the motto "In search of good design and creativity", 24 international experts awarded Vontobel with the Red Dot in the category "Financial Services".

## Investment Products and Services

Lipper named Vontobel, in five European countries, the leading provider in the categories Emerging Markets Debt and Absolute Return Bond. Our mtX Sustainable Leaders strategies received several accolades in Europe and Asia.

Vontobel was named "Equity Manager of the Year" at the PensionAge Awards ceremony in London, for the performance of our mtX Sustainable Leaders, Quality Growth and Thematic Strategies.

Our Quality Growth Boutique was awarded "Active International Equity Strategy of the year" and "Active Global Equity Strategy of the year" by the Institutional Asset Management Awards in North America.

Asia Asset Management named Vontobel "Best Manager" in the category Emerging Markets Equities with mtX Sustainable Leaders as well as in the category "Best Quantitative Strategy" with Vescore.

Vontobel was named Best Sustainable Asset Manager by the Geneva Forum for Sustainable Investment (GFSI).

Portfolio Adviser named TwentyFour Asset Management best UK Fixed Income, Corporate Bond manager.

Vontobel took first place at the ZertifikateAwards 2019/2020 in Germany in the categories of reverse convertibles and participation certificates.

At the Swiss Derivative Awards 2020, Vontobel ranked as first in the category "Top Service" for the tenth time in succession. In addition to the "Top Service" award, Vontobel also won three product awards: the best equity product, the best precious metal/interest rate/currency product and the best ESG product.

## Technology

Vontobel was named winner of the "Digital Transformation Award" at the Digital Economy Award Night. This prestigious prize is awarded to Swiss companies or organizations that have made particular progress towards digital maturity and have thus significantly improved their competitiveness.

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## Comments on the figures

The figures shown are rounded. Consequently, the total may differ from the figure calculated when the individual numbers are added together.

## Alternative performance measures (APM)

We measure performance using alternative financial indicators that are not defined in the International Financial Reporting Standards (IFRS). Details can be found in the glossary on pages 51 and 52.

This report also appears in German. The German version is prevailing.

**“As a globally active investment manager with a long-term focus, we generate growing income and in line with our risk profile we intentionally avoid taking a short-term approach to markets.”**



photographed by thefotostudio.ch

**Herbert J. Scheidt**  
Chairman of the Board of Directors

**Dr Zeno Staub**  
Chief Executive Officer

# Shareholders' letter

## Dear shareholders and clients

Vontobel can look back on a good first half of 2020 despite the impacts of the corona pandemic on the global economy and on international markets, which experienced unprecedented price volatility. With the right team spirit and powerful modern technology, Vontobel was always there for our clients around the globe, even at a time when many of our employees were working from home offices. Our way of working at Vontobel – acting from the client's perspective – was a key factor enabling us to successfully navigate the challenging first six months of the year. The business environment was not only shaped by the corona pandemic: Factors such as low interest rates and geopolitical uncertainty, which have had a global impact for years, further intensified as a result of the crisis.

During the period of severe market turmoil, our clients were able to place their trust in our stable investment processes, which have proved effective over many years, and in the broad expertise of our around 300 investment specialists around the world. This is also demonstrated by the numerous awards received by Vontobel in recent months. Especially in markets that are not moving in the same direction, the long-term client benefits of active investment management – which makes targeted use of opportunities rather than investing in the average, like with passively managed products – are clearly visible. The record-low interest rates that will continue to confront investors around the world for the foreseeable future show us that investing is the new form of saving. Vontobel views these developments as renewed confirmation of the validity of its strategy as an active investment manager.

Confidence in the quality of our investment solutions is also reflected by our net inflow of new money. With their strong demand for our investment products, our institutional clients in particular demonstrated their trust in our long-established and stable investment processes and our investment expertise, while private clients around the globe adopted a mood of caution during the market crisis. Overall, we generated growth in net new money of CHF 7.4 billion or 7.5% on an annualized basis in this difficult market environment, exceeding our ambitious target range of 4–6%. Advised client assets were down significantly at the end of March compared to the level at the start of the year but recovered during the remainder of the first half of 2020. As of June 30, 2020, advised client assets totaled CHF 218.6 billion, coming close to the level at the start of the year (CHF 226.1 billion).

### **As an investment manager, Vontobel is not exposed to risks from loans to corporate clients**

As an investment manager whose business is more than 80% focused on providing advisory and wealth and asset management services and does not issue loans to corporate clients, Vontobel is also solidly positioned to operate in an economic environment affected by a general recession. In addition, Vontobel has a secure capital position with a common equity tier 1 ratio (CET1 ratio) of 13.8% and a Tier 1 capital ratio of 20.2%. Both ratios substantially exceed the regulatory minimum requirements defined by FINMA of 7.8% for the CET1 capital ratio and 12% for the total capital ratio. In total, Vontobel grew its pre-tax profit by 4% to CHF 156.1 million (CHF 149.6 million). Adjusted for one-off items, pre-tax profit increased by 6% compared to the prior-year period. One-off items include CHF 4.1 million of costs for the realization of synergies from the realignment announced last December. For the first half of 2020, Group net profit totaled CHF 129.2 million, down slightly compared to the prior-year period (CHF 131.1 million). Operating income of CHF 623.0 million was almost unchanged compared to the figure for the first half of 2019. Vontobel benefited from its client-centric, focused business model that is strongly diversified across its main areas of activity. As a globally active investment manager with a long-term focus, we generate growing income and in line with our risk profile we intentionally avoid taking a short-term approach to markets. We support our institutional clients with our broad-based and rapidly growing investment boutiques as well as our powerful platforms. Our private clients are served by our experts from 26 locations around the globe – in our Swiss home market and in Europe, North America and Asia – as well as via our digital communications and wealth and asset management channels, which we have further expanded.

Despite the difficult business environment, Vontobel generated good profitability again in the first half of 2020. The cost/income ratio of 75% was above the target ratio of less than 72%, but improved slightly compared to the prior-year period. We have always emphasized that Vontobel would not forgo long-term opportunities for growth in order to achieve short-term cost savings. In the first half of 2020, we therefore made targeted investments in growth – and consequently in talent and technologies – while systematically managing our costs. The return on equity was 13.4%. Our mid-term target is to achieve a return on equity of at least 14%.

Growth was driven once again by our asset management clients. Vontobel recorded increases in assets as a result of our investment solutions – thus countering the global trend.

### **Vontobel named “Best Swiss Asset Management Company”**

In Switzerland, Vontobel is now one of the six largest asset managers and is one of the leading Swiss providers of sustainable investment solutions. In Europe, Vontobel ranks second among active mutual fund managers with its investment solutions, measured in terms of net new money. At an international level, Vontobel is also one of the leading experts in the area of emerging markets.

Vontobel had CHF 32.3 billion of sustainable assets under management as of June 30, 2020. Since 2013, it has grown its sustainable asset base by 36% each year. Today, almost 17% of its total assets under management are invested according to sustainable criteria. In June 2020, Vontobel was named “Best Swiss Asset Management Company” by the Geneva Forum for Sustainable Investment (GFSI). Sustainable Equities was one of the asset classes that attracted strong inflows of assets in the first half of the year.

Our multi-asset solutions also remained popular with investors. Contrary to the global trend, our Fixed Income boutique in particular – including TwentyFour Asset Management – achieved growth. At our last General Meeting of Shareholders, we announced that in 2021 Vontobel would increase its majority stake in TwentyFour Asset Management LLP, which operates successfully at a global level, from 60% to 80%. The acquisition of the shares will be fully financed out of Vontobel's own funds and was already recognized in the balance sheet in prior periods. The partners of the asset management boutique will retain responsibility for operations and therefore also for the proven and multi-award-winning fixed income investment strategies. TwentyFour Asset Management, which is based in London and New York, has been one of our drivers of growth for several years. Since Vontobel acquired a stake in the company, assets under management have increased from CHF 6.4 billion to CHF 21.1 billion (June 30, 2020).

Our expanded global sales network also had a positive impact on the growth of net new money, which totaled 11.5% on an annualized basis in the first half of 2020, significantly exceeding our target range of 4–6%. In addition, our clear focus as a high-conviction asset manager resulted in very good earnings quality despite the industry-wide pressure on margins.

Asset Management generated an excellent gross margin of 42 basis points; this is only marginally lower than in the prior-year period (44 basis points) in spite of strong competition. Operating income rose by 4% to CHF 248.5 million compared to the prior-year period.

In the future, Asset Management will continue to pursue strong organic growth through its client focus and quality. We will make further targeted investments in the expansion of our global sales organization with a particular emphasis on the US and Asia.

Platforms & Services – the second area serving institutional clients – also achieved a positive performance. It offers services for financial intermediaries – especially External Asset Managers (EAM) and banks. In geographical terms, it focuses on Switzerland, Germany and the Asian markets of Hong Kong and Singapore. In these focus markets, Vontobel partners with its institutional clients in its role as a structured products specialist. More than 100 banks, 500 EAMs and 5,500 users today execute transactions via deritrade, the multi issuer platform for structured products. In the year to date, more than 26,700 structured products have been issued via digital platforms for our clients, who have invested over CHF 6 billion.

Vontobel serves EAMs in Switzerland and directly in Singapore. In addition to structured products and custody and execution solutions, Vontobel provides investment advisory services to EAMs based on its entire global investment expertise. Financial intermediaries can also leverage the reliability and innovations of successful platforms such as deritrade or EAMNet, Plug'n'Trade and, in future, the advisory platform MARS. The gross margin reached 56 basis points.

At CHF 0.4 billion or 4.8% on an annualized basis, growth in net new money was within the target range of 4–6% in the first half of 2020.

Platforms & Services is benefiting significantly from past investments in powerful, modern technological solutions and the associated economies of scale. However, the reluctance to invest among our international clients in the area of financial intermediaries had a negative impact on structured product volumes in the first half of 2020. As a result, operating income declined by 5% to CHF 73.4 million compared to the prior-year period.

Platforms & Services has set itself the goal of achieving growth rates of at least 10% in the future.

### **Vontobel expands business with private clients**

Vontobel is also focusing on growth in its business with private clients, who can benefit from the personal advisory services offered by Wealth Management as well as from digital solutions such as Volt and derinet.

In the first half of 2020, Wealth Management continued to strengthen its client advisory team on a targeted basis. Locations such as Zurich, Basel, Chur, Geneva and Hamburg were further expanded. At the same time, we decided that in locations where the expansion of teams is not feasible, resources will be bundled in other locations to ensure reliable, high-quality client services. In 2020, we established a new advisory office for Wealth Management in Milan to serve new Italian clients. In addition, we invested in new digital services in this client area, leveraging the expertise of our digital hub in Zurich. The experience gained during lockdown in particular has shown that the desire for digital solutions is increasing across all client groups. Throughout the corona crisis, Vontobel continued to act as a reliable partner to clients around the globe.

However, the crisis prompted greater reluctance to invest among private clients, which also impacted on growth in net new money. Total net new money in Wealth Management was CHF 0.3 billion, corresponding to an annualized growth rate of 1.0%, which is below our defined target range. Advised client assets totaled CHF 57.3 billion (CHF 60.6 billion as of June 30, 2019). Profitability continued to develop positively, with operating income increasing by 2% year on year to CHF 215.5 million (CHF 210.8 million). Despite the fiercely competitive environment, Vontobel maintained its gross margin in Wealth Management at a good level of 75 basis points (74 basis points). These positive income figures reflect its consistent client focus as well as its competence-driven product offering.

Even if the corona shock will have a negative effect on our clients' willingness to invest for the foreseeable future, Vontobel has identified opportunities for growth in the business with ultra-high-net-worth individuals (UHNWIs) as well as with Swiss SME leaders. In addition, Vontobel will continue to invest in new relationship managers to strengthen the team.

Clients who only make use of our digital offerings have also benefited from our powerful and reliable technology during the corona pandemic. This is demonstrated, among other things, by the Swiss Derivative Award 2020, which was recently presented to Vontobel in recognition of our excellent services for investors.

Private investors can access our entire range of structured products via the "derinet" platform. Vontobel ranks as one of the leading providers of structured products in our Swiss home market and international focus markets of Asia, Europe and the Nordics. In the current year, Vontobel was able to further strengthen its position – especially in Switzerland and in European focus markets.

The increased client demand for warrants during the corona crisis is reflected by the 4% rise in operating income to CHF 89.2 million (CHF 85.7 million) compared to the prior-year period. The high level of interest in structured products can be expected to continue in markets where volatility persists. Vontobel is convinced of the opportunities that exist in this area and will therefore continue to expand its platforms and develop further innovations that address the needs of our clients.

### **Entrepreneurial investments in knowledge and technology**

Vontobel wants to continue achieving growth with its clients in the future and, as a globally active investment manager, therefore aims to seize the opportunities created by changing client expectations and markets. We will therefore make further entrepreneurial investments in knowledge and technology. In this context, we had previously set ourselves ambitious targets that we will now pursue in the period up to 2022. In specific terms, this means that we want to grow our business by a total of 4–6% annually despite the further deterioration in the operating environment due to corona. In the future, we will continue to target ambitious annual growth in net new money in the range of 4–6%. Our goals of investing in opportunities for growth and of generating a return on equity of at least 14% as well as a cost/income ratio of less than 72% each year remain unchanged. With a BIS common equity tier 1 ratio (CET1 ratio) of over 12% and a BIS Total Capital Ratio of more than 16%, Vontobel will remain a symbol of stability. Shareholders should also continue to participate in Vontobel's earnings with a target payout ratio of at least 50%, like before. We will present our 2022 targets and, in particular, our mid-term strategic priorities at an Investor Day in September 2020.

2020 has so far been an extraordinary year. The fallout from the pandemic will continue to affect markets and our business in the second half of the year and beyond. In addition to low interest rates and geopolitical challenges, we also have to address the strongest ever global economic collapse. A worldwide recession now appears inevitable.

There is also the prospect of a second wave of the pandemic, which could lead to a further escalation of all scenarios. The determined interventions of politicians and the central banks, which have mitigated the impacts of the crisis, give grounds for optimism.

Our view of the future development of Vontobel also inspires us with confidence. We remain committed to our targets for the current year and we want to continue to deliver growth in this challenging market environment. We will invest further in new opportunities and smartly manage our costs.

To achieve this, we are counting on our international Vontobel team, on whom both our clients and our company could rely at all times during the acute corona crisis. We owe them our considerable thanks. We also wish to thank you, our clients and shareholders, for your trust in our team and our services.



Herbert J. Scheidt  
Chairman of the Board  
of Directors



Dr Zeno Staub  
Chief Executive Officer

# Targets 2020 / 2022

## Ambitious mid-term targets

Building on Vontobel's strategic priorities, in 2017 the Board of Directors and the Executive Board defined ambitious targets for growth, profitability, capital and dividends for 2020. However, Vontobel wants to continue achieving growth with its clients in the future and, as a globally active investment manager, therefore aims to seize the opportunities created by changing client expectations and markets. We will therefore continue to invest in knowledge and technology based on our entrepreneurial approach. As part of these efforts, we will pursue the already ambitious targets for 2020 in the period up to 2022, since we want to grow our business despite the further deterioration in the operating environment due to corona.

In specific terms, this means **Vontobel** wants to:

- **Outgrow the market** in all core activities with top-line growth and net new money growth of 4–6%, excluding market performance effects
- Generate a higher **return on equity** of more than 14%, clearly exceeding the cost of capital; achieve a **cost/income ratio** of less than 72%
- Maintain a very strong **capital position** with a CET1 capital ratio of more than 12% and a total capital ratio of more than 16%
- Distribute profits not used for organic growth and M&A to shareholders, with a target **payout ratio** of more than 50% for shareholders

## Targets 2020 / 2022

<b>Top-line growth</b>	
Operating income	4–6%
<b>Net new money generation</b>	
Net new money growth	4–6%
<b>Earnings power</b>	
Return on equity (ROE)	>14%
<b>Efficiency</b>	
Cost/income ratio	<72%
<b>Capital strength</b>	
BIS tier 1 capital ratio (CET1)	>12%
BIS total capital ratio	>16%
<b>Dividend</b>	
Payout ratio	>50%

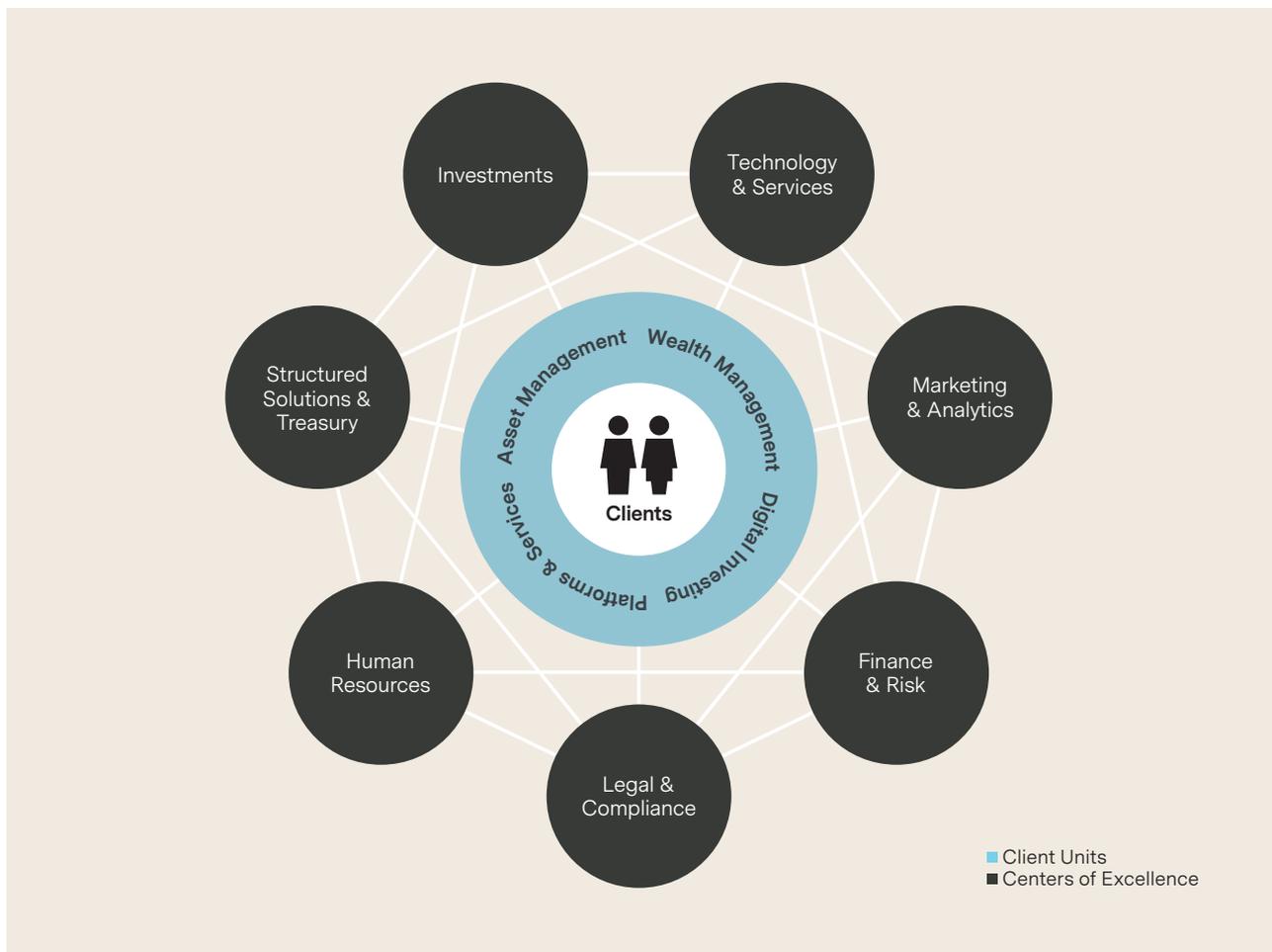
# One Vontobel

## A client-centric investment manager – clearly positioned for clients and investors

The demand for professional investment solutions and individually tailored expert investment advice is continuing to grow across all client groups and sections of the population. This trend is mainly driven by the protracted phase of low interest rates and the challenging investment environment associated with it, as well as the strong need to invest – both individually and as a society – to address the increasing pension funding gap around the world. At the same time, new opportunities created by ever faster technological advances are transforming the wishes and behavior of clients. Today, clients expect individual solutions that are tailored to specific situations – at any time, in any location.

They want problems to be solved in a single click. Practices that are already part of the everyday client experience in large areas of the retail industry have now also become increasingly important for the financial sector.

At Vontobel, where we are operating from a position of strength, we want to actively seize the growth opportunities resulting from the change in client behavior at an early stage. Our aim is to set ourselves apart from the competition – leading the way in terms of the quality of our performance and client experiences. Vontobel’s evolution into a client-centric investment manager that harnesses the power of technology for the benefit of its clients is the logical next step based on our value proposition “Driven by the power of possibility. Delivering the edge”. We are underscoring our commitment to taking the client’s view with our exclusive focus on the buy-side business. This means we are always on the side of the investor.



Our goal is to enable each client to access the very best we can offer in terms of investment opportunities, technology and services – and to create typical Vontobel client experiences that can compete with the offerings of digital companies. To achieve this, Vontobel will leverage the power of technology even more intensively than before. We want to anticipate the wishes of our clients to ensure that we are always ready to offer them the right solution.

We will not only invest in talents and technology but will also further develop the way we work together, as well as our organizational set-up. Under the new model, which was implemented at the start of the year, advisory expertise is bundled within specialized Client Units that are aligned with client needs. Investment and solutions-based competencies are combined within Centers of Excellence. Reflecting our “One Vontobel” approach, all the units are linked by a flat management structure and a uniform performance evaluation system that is focused on the achievement of shared success for clients. In this way, Vontobel is facilitating cooperation across businesses in a collaborative working environment. This is a prerequisite for rapid, market-driven innovation, strong organic growth and the development of disruptive business models.

## **Clients are at the center of all that we do**

Vontobel is bundling its expertise within the specialized Asset Management, Platforms & Services, Wealth Management and Digital Investing Client Units, which are focused exclusively on client needs. Advisors working within the Client Units can devote their full attention to addressing client needs and wishes. They have been freed from other duties not directly related to their interaction with clients.

These other duties have been bundled within Centers of Excellence. In these teams, we are bringing together similar competencies in a single location to allow for the cross-fertilization of ideas in order to develop the best possible client solutions in the most effective way possible. The Centers of Excellence are: Investments, Structured Solutions & Treasury, Technology & Services, Marketing & Analytics, Finance & Risk, Human Resources and Legal & Compliance.

## Leadership team for rapid, client-driven decision-making

Vontobel's Operating Committee pursues a collaborative approach that facilitates rapid, client-driven decision-making.

## Client Units

**Asset Management** focuses primarily on institutional clients such as pension funds, insurance companies and sovereign wealth funds, as well as third-party banks in the wholesale fund business. The concept of well-established asset-class specialization and the corresponding boutiques are complemented by a regional focus in the area of client services. The provision of services to the Global Banks client group is coordinated globally to optimally address the significant growth potential in this area.

EAMs, banks and other intermediaries will be offered Vontobel products and services by **Platforms & Services**. In this area, Vontobel has set itself the goal of becoming the partner of choice in Switzerland, Germany, Hong Kong and Singapore.

The **Wealth Management** team serves wealthy private clients as well as ultra-high-net-worth individuals (UHNWI). This team also advises entrepreneurs and decision-makers from the SME segment. Further wealth management services are provided via technology-driven, digital models.

With **Digital Investing** Vontobel is launching an explicit challenger unit whose competencies can be offered to broader client groups either directly or via ecosystems. This unit also focuses on the successful end-clients business with structured products and complements it with a broader investment perspective. Platforms such as derivate, Cosmofunding or proprietary robo technology also continue to operate in these areas, placing an emphasis on client needs.

## Centers of Excellence

In the **Investments** business, around 300 Vontobel experts work in London, Milan, Munich, New York, Singapore and Zurich to provide internationally renowned global investment expertise for the benefit of all clients. Our specialists deliver robust long-term performance quality, which is the key to every successful client solution. Vontobel's investment philosophy continues to be founded on the conviction that independent thinking and strategies with a long-term focus lead to the creation of value. This philosophy is optimally enshrined in the proven multi-boutique structure, which remains unchanged.

Production expertise in the field of structured products, as well as the management of Vontobel's balance sheet structure, capital and liquidity, are combined within **Structured Solutions & Treasury**. This area is also responsible for the further development of cosmofunding, one of the leading Swiss ecosystems for financing.

In the **Technology & Services** Center of Excellence, Vontobel has bundled further success-critical skills to prepare for a future in which technology will grow increasingly important. This area provides global access to a client-centric infrastructure focusing on end-to-end processes. Alongside quality and efficiency, it places an emphasis on state-of-the-art, contextual client experiences and on growth opportunities offered by platforms and ecosystems – supported by modern development methods and technologies such as cloud services and artificial intelligence.

The **Marketing & Analytics** supports organic growth across all client groups. Drawing on data-driven knowledge and expertise in particular, the team continuously further develops the Vontobel client experience according to the wishes and expectations of our clients.

Further Centers of Excellence are: **Finance & Risk, Human Resources** and **Legal & Compliance**.

# Business review

## Vontobel achieves good half-year result in a turbulent period

Following the sharp fall in share prices in February and March 2020 due to corona and the economic fallout from the pandemic, April saw the start of a marked recovery in global financial markets with high trading volumes – stimulated by massive monetary and fiscal countermeasures and the expectation of an imminent economic upturn. The recovery was, however, accompanied by extreme price volatility. At the end of June, global equity markets in both industrialized nations and emerging economies were down by only 5% in local currencies compared to end-2019 levels. Investment-grade fixed income securities attracted strong demand from investors, and the price of government bonds issued by industrialized nations increased by 5% in local currencies during the first half of the year. At the same time, the risk premiums for shares remained above the long-term average, reflecting the cautious mood of private investors, in particular, who continue to hold a large proportion of liquid assets.

Vontobel's business philosophy, which focuses on the achievement of long-term success, and its positioning as a globally active, client-centric investment manager proved effective once again in these turbulent times. Institutional clients value our focus on high-conviction active asset management and our multi-boutique approach with our highly specialized investment teams who demonstrate a strong performance culture and robust risk management. We engage in a personal dialogue with our wealth management clients and support them with an advisory process that is tailored to their individual needs. Our wealth management services and also our offering for intermediaries are ideally complemented by technology-driven digital models.

Our proven advisory expertise, consistent investment performance over time and high level of financial solidity form the basis for the strong client trust in Vontobel, which was reflected in the first half of 2020 by a substantial net inflow of new money totaling CHF 7.4 billion. At CHF 623.0 million, operating income was almost in line with the very good figure for the prior-year period. Pre-tax profit increased by 4% to CHF 156.1 million and net profit was 1% lower at CHF 129.2 million (earnings per share: CHF 2.18). Adjusted for one-off items – i.e. costs of CHF 4.1 million for the realignment of Vontobel announced in December 2019 – pre-tax profit totaled CHF 160.2 million. This corresponds to an increase of 6% compared to the adjusted pre-tax profit of CHF 150.6 million for the first half of 2019.

Vontobel generated a return on equity of 13.4% in the period under review, significantly exceeding its current cost of capital of around 10%. Vontobel's mid-term target is a return on equity of at least 14%.

Vontobel has maintained its comfortable capital position, with a CET1 ratio of 13.8% and a Tier 1 capital ratio of 20.2%. Both ratios substantially exceed the regulatory minimum requirements defined by FINMA of 7.8% for the CET1 capital ratio and of 12% for the Total Capital Ratio for Category 3 banks, including Vontobel.

## Client assets recover from strong setbacks in February and March

Despite negative overall currency and market effects, the decrease in client assets remained within narrow limits due to a strong inflow of new money and robust investment performance. Vontobel's total client assets reached CHF 280.2 billion as of June 30, 2020.

Total advised client assets consist of assets under management, other advised client assets and structured products. Advised client assets are an important indicator for Vontobel in view of the significant value that they generate; Vontobel provides advisory services and/or has portfolio management agreements in place for these assets. In the period under review, advised client assets decreased by 3% to CHF 218.6 billion due to market effects. Other advised client assets are held primarily in Asset Management and consist of client assets for which Vontobel does not make investment decisions or have any responsibility for distribution. This includes other advisory services in the area of asset allocation and the business with private label funds.

Overall, Vontobel was able to expand its market position for structured and leverage products in Europe in the first half of 2020. Vontobel has also been offering leverage products in Hong Kong – the world's largest derivatives market – for three years and achieved a market share of 1.6% in this market in the first half of 2020. At a global level, high volatility has triggered increased demand for leverage products in particular. The volume of structured products and debt instruments outstanding – i.e. excluding leverage products – decreased by 8% to CHF 9.8 billion compared to the end of 2019.

## Client assets by client domicile as of 30 June 2020

CHF BN	ASSETS UNDER MANAGEMENT	OTHER ADVISED CLIENT ASSETS	STRUCTURED PRODUCTS AND DEBT INSTRUMENTS	TOTAL ADVISED CLIENT ASSETS	CUSTODY ASSETS	TOTAL CLIENT ASSETS
<b>Home market</b>	<b>78.5</b>	<b>3.0</b>	<b>5.9</b>	<b>87.5</b>	<b>59.0</b>	<b>146.4</b>
<i>Switzerland<sup>1</sup></i>	78.5	3.0	5.9	87.5	59.0	146.4
<b>Focus markets</b>	<b>96.5</b>	<b>5.0</b>	<b>3.9</b>	<b>105.3</b>	<b>0.0</b>	<b>105.3</b>
<i>Germany</i>	20.5	4.9	3.9	29.3	0.0	29.3
<i>UK</i>	21.3	0.0	0.0	21.3	-0.0	21.3
<i>Italy</i>	13.5	-0.0	0.0	13.5	0.0	13.5
<i>North America</i>	17.2	0.0	0.0	17.2	0.0	17.2
<i>Asia Pacific region/Emerging Markets<sup>2</sup></i>	24.0	0.1	0.0	24.1	0.0	24.1
<b>Other markets</b>	<b>18.4</b>	<b>7.4</b>	<b>0.0</b>	<b>25.8</b>	<b>2.6</b>	<b>28.4</b>
<b>Total client assets</b>	<b>193.4</b>	<b>15.4</b>	<b>9.8</b>	<b>218.6</b>	<b>61.5</b>	<b>280.2</b>

1 Including Liechtenstein

2 CEE, LATAM, Middle East, Africa

In the finance industry, like in other sectors, there is a growing trend towards specialization, with companies sharpening the focus of their activities. Against this backdrop, Vontobel is now well established as a provider of global execution and global custody solutions in the Swiss market. At present, 125 banks, securities dealer and asset managers with custody assets of CHF 61.5 billion have joined Vontobel's transaction banking platform.

Over the last two decades, Vontobel became an established global wealth and asset manager. In the period from 2002 to the end of June 2020, there was almost a five-fold increase in its advised client assets. Today, 60% of advised client assets comprise the assets of clients domiciled outside Vontobel's Swiss home market – primarily in the target markets of Germany, the UK, Italy, North America and Emerging Markets. However, Vontobel is also well established in its home market – where it has a presence in 11 locations – with clients domiciled in Switzerland accounting for CHF 87.5 billion of advised client assets. This underscores the high level of confidence that clients in our home market place in Vontobel.

At the end of June 2020, the volume of assets under management entrusted to Vontobel was CHF 193.4 billion, a decrease of 3% compared to the end of 2019, reflecting the impact on asset prices of the economic fallout from the corona crisis. The scale of the decline was therefore limited. In these exceptional times, we once again saw the benefits of our proven investment process and the recognized expertise of our investment teams, which were reflected by our robust investment performance and our strong net inflow of new money.

## Development of assets under management

CHF BN	30.06.2020	30.06.2019	31.12.2019
<b>Institutional clients</b>	<b>134.2</b>	<b>125.8</b>	<b>135.8</b>
<i>Asset Management</i>	119.7	111.9	121.1
<i>Platforms &amp; Services</i>	14.5	13.9	14.7
<b>Private clients</b>	<b>57.3</b>	<b>58.5</b>	<b>60.6</b>
<i>Wealth Management</i>	57.3	58.5	60.6
<i>Digital Investing</i>	0.0	0.0	0.0
<b>Centers of Excellence/Reconciliation</b>	<b>1.9</b>	<b>1.7</b>	<b>2.5</b>
<b>Total assets under management</b>	<b>193.4</b>	<b>186.0</b>	<b>198.9</b>

Assets under management comprised around 70% institutional assets and 30% private client assets. On the institutional side, assets under management declined only slightly (-1%) to CHF 134.2 billion in the first six months of the year as the boutiques in Asset Management continued to attract a strong inflow of new money. The development of private client assets (-5% compared to the end of 2019) not only reflected difficult financial markets but also the general mood of caution among wealthy private clients during the global market crisis.

The total decrease in assets under management of CHF 5.5 billion compared to the end of 2019 reflects:

- Growth in net new money of CHF +7.4 billion
- Negative currency effects CHF -4.5 billion
- Negative market effects of CHF -8.4 billion

### Growth in new money exceeds target range of 4–6%

In a market environment characterized by investor caution and low flows of new assets, Vontobel was able to generate a substantial net inflow of new money totaling CHF 7.4 billion. As a result of our diversified business model, we generated annualized growth in net new money of 7.5% in this difficult market environment, significantly exceeding our target range of 4–6%. New money was acquired in all our target markets with the exception of the US.

### Development of net new money

CHF BN	H1 2020	H1 2019	H2 2019
<b>Institutional clients</b>	<b>7.2</b>	<b>5.0</b>	<b>6.5</b>
<i>Asset Management</i>	6.8	4.9	6.1
<i>Platforms &amp; Services</i>	0.4	0.1	0.4
<b>Private clients</b>	<b>0.3</b>	<b>0.2</b>	<b>-0.2</b>
<i>Wealth Management</i>	0.3	0.2	-0.2
<i>Digital Investing</i>	0.0	0.0	0.0
<b>Centers of Excellence/ Reconciliation</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>
<b>Total net new money</b>	<b>7.4</b>	<b>5.3</b>	<b>6.4</b>

Asset Management generated a net inflow of new money of CHF 6.8 billion. Measured in terms of asset inflows, Vontobel therefore ranked as one of the top 2 active mutual fund managers in Europe. Vontobel is now one of the six largest asset managers in Switzerland. In the area of ESG solutions, it ranks as one of the leading providers in the Swiss market. On an annualized basis, Asset Management recorded growth in net new money of 11.5%. Various boutiques within Asset Management – including Multi Asset, Fixed Income, TwentyFour Asset Management and Sustainable Equities – contributed to this inflow of assets.

Platforms & Services generated also strong growth of 4.8% in net new money on an annualized basis with External Asset Managers.

Wealth management clients, who adopted a cautious approach during the corona crisis, also contributed to net new money growth, albeit on a smaller scale. In Wealth Management, the annualized growth in net new money was 1.0%.

### Assets under management by investment category

IN %	30.06.2020	30.06.2019	31.12.2019
Swiss equities	14	15	15
Foreign equities	32	32	33
Bonds	37	35	35
Alternative investments	1	2	1
Liquid assets, fiduciary investments	12	11	11
Other <sup>1</sup>	4	6	5

1 Including structured products and debt instruments

The slight shifts in the structure of assets under management in the period under review are mainly attributable to two developments:

On the one hand, the changes in the structure of assets by investment category observed in recent years reflect the systematic diversification of the boutiques within Asset Management. For example, the successful international expansion of the Fixed Income business is demonstrated by the growing proportion of fixed income securities, which increased by a further two percentage points during the period under review.

On the other hand, private investors in particular remain very defensive and tended to increase their liquidity holdings during the market crisis. This explains the growing proportion of assets under management in the form of liquid assets and fiduciary investments.

### Assets under management by currency

IN %	30.06.2020	30.06.2019	31.12.2019
CHF	26	27	27
EUR	23	22	22
USD	31	29	30
GBP	6	6	6
Other	14	15	15

Our investment expertise is geared towards our international client base – as reflected by our broadly diversified allocation of assets under management in terms of currencies. A total of 26% of assets under management comprise investments in Swiss francs. The proportion of investments in euros and US dollars rose again slightly in the first half of 2020, while investments in British pounds remained stable.

## Structure of the income statement

	H1 2020 CHF MN	H1 2020 IN % <sup>1</sup>	H1 2019 IN % <sup>1</sup>	H2 2019 IN % <sup>1</sup>
Net interest income after credit losses	39.8	6	8	6
Net fee and commission income	415.6	67	65	71
Trading income	160.5	26	26	23
Other income	7.1	1	1	0
<b>Total operating income</b>	<b>623.0</b>	<b>100</b>	<b>100</b>	<b>100</b>
Personnel expense	314.3	50	51	51
General expense	103.6	17	17	17
Depreciation of property, equipment (incl. software) and intangible assets	47.8	8	8	8
Provisions and losses	1.3	0	0	0
<b>Total operating expense</b>	<b>466.9</b>	<b>75</b>	<b>76</b>	<b>75</b>
Taxes	26.9	4	3	4
<b>Group net profit</b>	<b>129.2</b>	<b>21</b>	<b>21</b>	<b>21</b>

1 Share of operating income

### Positioning as client-centric investment manager proves effective

Vontobel's realignment in December 2019 as a pure-play investment manager that always acts in the interests of clients proved effective in the challenging first half of 2020. Its clear focus as a proven wealth and asset manager is demonstrated by the composition of operating income: 67% of operating income of CHF 623.0 million (of which 89% is recurring) was generated by the commission business. Overall, operating income was therefore unchanged. Adjusted for the special dividend from SIX Group AG in the first half of 2019, operating income rose by 1%.

Commission income grew by 2% to CHF 415.6 million in the first half of 2020 compared to the prior-year period. Due to the average increase in assets under management of 6%, advisory and management fees rose by 7% to CHF 393.6 million, while custody fees rose by 2% to CHF 99.6 million. Brokerage fees – also part of commission income – rose by 25% to CHF 63.1 million year on year, driven by increased trading activity in March and April.

Trading income of CHF 160.5 million decreased 1% compared to the prior-year period. On the one hand, this reflected a further shift to the platform business and a renewed improvement in Vontobel's positioning in Swiss and international markets. On the other hand, Vontobel recorded higher hedging costs and lower income from forex and precious metals trading. Vontobel's trading income mainly comprises income from the issuing, hedging and market making of structured products and warrants – represented by the total in "Securities" and "Other financial instruments at fair value". In the period under

review, these activities contributed CHF 149.2 million (+6%) to trading income. Income from forex and precious metals trading decreased by 48% to CHF 11.3 million.

Managing the bank's balance sheet while maintaining a conservative risk profile is especially challenging in an environment of continued extremely low or negative interest rates. Net interest income declined by 17% year on year. However, excluding the one-off dividend distribution by SIX Group AG of CHF 6.9 million before taxes in the previous year, the reduction was only CHF 1.1 million or 3%. Other income increased slightly by CHF 0.4 million to CHF 7.1 million.

Operating expense declined by CHF 9.2 million to CHF 466.9 million in the first half of 2020 compared to the prior-year period. Average headcount was virtually unchanged from the previous year (-1%) and personnel expense of CHF 314.3 million was therefore only slightly lower year on year (-1%). At the same time, general expense decreased by 4% to CHF 103.6 million. The impacts of the lockdown were visible in this context, with a 34% reduction in travel and representation costs, public relations and marketing expenses in the first half of 2020.

In addition, costs for depreciation and provisions were reduced by a total of CHF 3.3 million.

The volume of capital expenditure on property, equipment and software reached CHF 40.4 million in the period under review. A strong emphasis was placed on various digitization projects.

### Capital expenditure and depreciation

CHF MN	H1 2020	H1 2019	H2 2019
Capital expenditure <sup>1</sup>	40.4	56.7	36.4
of which goodwill	0.0	1.7	0.0
of which other intangible assets	0.0	8.9	0.0
of which property, equipment and software	40.4	46.1	36.4
Depreciation	47.8	50.8	49.3

1 Additions to property, equipment and intangible assets (including additions from changes in the scope of consolidation)

As a result, pre-tax profit rose by CHF 6.5 million or 4% to CHF 156.1 million. This includes one-off implementation costs due to the realignment as a pure-play investment manager of CHF 4.1 million before taxes. If adjusted pre-tax profit of CHF 160.2 million is compared with the prior-year period (CHF 150.6 million), this corresponds to an increase of 6%.

### Reconciliation of reported to adjusted profit before taxes

CHF MN	H1 2020	H1 2019	H2 2019
<b>Profit before taxes</b>	<b>156.1</b>	<b>149.6</b>	<b>157.1</b>
Implementation costs <sup>1</sup>	4.1	-	-
Integration costs <sup>2</sup>	0.0	7.9	3.9
Special dividend SIX Group AG	0.0	-6.9	-
<b>Profit before taxes on an adjusted basis</b>	<b>160.2</b>	<b>150.6</b>	<b>161.0</b>

1 H1 2020: One-off implementation costs due to the realignment as a pure-play investment manager

2 H1 2019: Integration costs for Notenstein La Roche Privatbank AG of CHF 7.4 mn and for the North American wealth management portfolio of CHF 0.5 mn

H2 2019: Integration costs for Notenstein La Roche Privatbank AG of CHF 3.7 mn and for the North American wealth management portfolio of CHF 0.2 mn

Overall, operating efficiency improved from 75.8% to 74.7% year on year. On an adjusted basis, the cost / income ratio was 74.1% (first half of 2019: 75.4%).

Group net profit totaled CHF 129.2 million, down 1% year on year. This is attributable to the increased tax charge of CHF 26.9 million in the first half of 2020. The tax rate rose to 17.3% from 12.3% in the first-half of 2019, which benefited from a tax refund in the US as well as positive impacts from loss carry-forwards in Germany.

Due to the significant increase in minority interests in profit, earnings per share decreased by 2% to CHF 2.18.

As a wealth and asset manager with an international client structure and strong roots in its Swiss home market, Vontobel continues to be systemically affected by the strong Swiss franc.

In the first half of 2020, there were only minor shifts in the currency composition of the income statement compared to the prior-year period. 40% of income was generated in Swiss francs, followed by 32% in US dollars and 16% in euros. The cost side was dominated by the Swiss franc at 76%, while 9% of costs were incurred in US dollars and 8% in euros.

### Structure of income statement by currency

IN %	H1 2020	H1 2019	H2 2019
<b>Operating income</b>			
CHF	40	42	40
EUR	16	15	16
USD	32	31	31
GBP	7	7	6
Other	6	6	6
<b>Operating expense</b>			
CHF	76	78	78
EUR	8	7	8
USD	9	8	9
GBP	5	3	3
Other	3	3	2

### Growing income and solid margins in Client Units

Overall, income from the four Client Units rose by 2% from CHF 611.6 million to CHF 626.6 million.

### Operating income by Client Unit

CHF MN	H1 2020	H1 2019	H2 2019
Asset Management	248.5	238.1	271.6
Platforms & Services	73.4	77.1	73.8
Wealth Management	215.5	210.8	218.5
Digital Investing	89.2	85.7	75.2

The positioning of Asset Management as a high-conviction manager and the successfully implemented diversification strategy are proving effective. The impressive quality of products, robust performance, and strong net inflows of new money into the Fixed Income boutiques, including TwentyFour Asset Management, as well as the Multi Asset and Sustainable Equities boutiques, are confirmation that we are on the right path. Operating income increased by 4% compared to the prior-year period. The gross margin of 42 points was down slightly year on year due to a slight shift in asset class composition as well as lower performance fees (first half of 2019: 44 basis points).

Platforms & Services grew commission income by 23% to CHF 39.5 million, while trading income declined by 22% to CHF 29.1 million as a result of lower demand for investment products. Overall, income decreased by 5% to CHF 73.4 million. The gross margin in the business with External Asset Managers (EAM) reached 56 basis points (first half of 2019: 59 basis points).

The systematic client focus and ongoing enhancement of the advisory process in Wealth Management are reflected by further growth in operating income to CHF 215.5 million (first half of 2019: CHF 210.8 million). The successfully preserved asset base as well as the good gross margin of 75 basis points resulted in a 5% increase in commission income.

Digital Investing, which concentrates on clients who only make use of our digital offerings, generated a significantly higher demand for warrants and a 7% increase in trading income. Overall, operating income of CHF 89.2 million was 4% higher than in the prior-year period.

### Conservative risk management

Vontobel remains committed to a conservative risk management approach. At CHF 11.4 million, the average Value at Risk in the first half of 2020 was higher than in prior periods but was still in line with our defensive risk profile. The increase mainly reflects the turmoil in March and the related market volatility.

### Value at Risk (VaR)

CHF MN	H1 2020	H1 2019	H2 2019
Equities	10.4	5.1	5.4
Interest rates	4.5	3.1	3.7
Currencies	1.9	1.6	2.0
Commodities	0.6	0.1	0.2
Diversification effect	-5.9	-3.8	-5.0
<b>Total</b>	<b>11.4</b>	<b>6.1</b>	<b>6.3</b>

Average Value at Risk (6 months) for positions of Vontobel. Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

### Continued comfortable capital position

Vontobel has maintained its comfortable capital position, with a CET1 capital ratio of 13.8% and a Tier 1 capital ratio of 20.2%. Both ratios substantially exceed the regulatory minimum requirements defined by FINMA of 7.8% for the CET1 capital ratio and of 12% for the Total Capital Ratio for Category 3 banks, including Vontobel.

Vontobel's very solid capital position is also reflected by the equity ratio of 6.1% and a leverage ratio under Basel III of 4.8%. Consolidated shareholders' equity was CHF 1.8 billion as of June 30, 2020, and was therefore 3% lower than at December 31, 2019.

Furthermore, Vontobel's balance sheet is highly liquid since its Liquidity Coverage Ratio averaged 186% for the period under review and thus significantly exceeded the minimum requirement of 100% defined by FINMA.

Total assets grew by 9% to CHF 28.6 billion in the period under review. On the liabilities side of Vontobel's balance sheet, there was an increase in client deposits, which grew by 17% from CHF 10.5 billion to CHF 12.2 billion and in negative replacement values, which grew by 111% from 0.7 billion to CHF 1.5 billion. At the same time "Other financial liabilities at fair value" relating to the business with structured products declined by 8% from CHF 10.7 billion to CHF 9.8 billion.

On the assets side of the balance sheet, hedging positions for the business with structured products increased. This was partly reflected by higher trading portfolio assets and

higher replacement values as well as an increase in the item "Other financial assets at fair value". Loans to clients rose by 7% to CHF 5.4 billion.

#### Allocation of regulatory capital required (BIS)

CHF MN	30.06.2020	30.06.2019	31.12.2019
Credit risks and non-counterparty related risks	266.3	221.8	245.1
Market risks in the trading book	124.1	203.2	137.9
Operational risks	172.6	178.2	180.1
Goodwill, intangible assets and own credit risk	552.8	581.0	560.8
<b>Total</b>	<b>1,115.8</b>	<b>1,184.2</b>	<b>1,123.9</b>

Of the total regulatory capital of CHF 1,115.8 million required under BIS rules (December 31, 2019: CHF 1,123.9 million), i.e. on the basis of 8% of risk-weighted positions and taking into account the deductions (goodwill, intangible assets, own credit risk) shown in the table above, 24% related to credit risks, 11% to market risks and 15% to operational risks. The remaining 50% related to goodwill, intangible assets and own credit risk.

# Capital and liquidity

## Eligible and required capital

CHF MN	30.06.2020	31.12.2019
<b>Eligible capital</b>		
Equity according to balance sheet	1,755.4	1,813.3
<i>Paid-in capital</i>	56.9	56.9
<i>Disclosed reserves</i>	1,622.5	1,589.6
<i>Net profit for the current financial year</i>	121.6	251.0
<i>Deduction for treasury shares</i>	-45.6	-84.2
Deduction for minority interests	0.0	0.0
Deduction for dividends (current estimate)	-64.0	-128.0
Deduction for goodwill	-481.5	-487.4
Deduction for intangible assets	-79.0	-85.9
Deduction for deferred tax assets	-37.4	-26.1
Addition (deduction) for losses (gains) due to changes in own credit risk	7.7	12.5
Deduction for unrealised gains related to financial investments	-84.2	-81.9
Deduction for defined benefit pension fund assets (IAS 19)	0.0	0.0
Other adjustments	-44.7	-67.1
<b>Net eligible BIS common equity tier 1 capital (CET1)</b>	<b>972.3</b>	<b>949.4</b>
Additional tier 1 capital (AT1)	448.4	448.1
<b>Net eligible BIS tier 1 capital</b>	<b>1,420.7</b>	<b>1,397.5</b>
Supplementary capital (tier 2)	0.0	0.0
Other deductions from total capital	0.0	0.0
<b>Net eligible regulatory capital (BIS tier 1 + 2)</b>	<b>1,420.7</b>	<b>1,397.5</b>
<b>Risk-weighted positions</b>		
Credit risks	2,978.0	2,710.1
<i>Receivables</i>	2,861.5	2,601.7
<i>Price risk relating to equity instruments in the banking book</i>	116.5	108.4
Non-counterparty related risks	351.1	354.4
Market risks	1,550.9	1,723.8
<i>Interest rates</i>	963.5	1,137.5
<i>Equities</i>	370.4	282.0
<i>Currencies</i>	124.9	195.6
<i>Gold</i>	3.6	4.3
<i>Commodities</i>	88.5	104.4
Operational risk	2,157.7	2,251.0
<b>Total risk-weighted positions</b>	<b>7,037.7</b>	<b>7,039.3</b>

The disclosures for capital adequacy, leverage ratio and liquidity coverage ratio are in accordance with the requirements set out in FINMA Circular 16/01. The values used to calculate the liquidity coverage ratio are simple monthly averages for the relevant quarter or halfyear. The average is calculated based on the values shown in the monthly liquidity status reports submitted to FINMA and the SNB. This results in three data points per quarter.

Since 2019, the liquidity coverage ratio has to exceed 100%. The main factors influencing Vontobel's liquidity coverage ratio are cash holdings as high-quality liquid assets, customer cash accounts as weighted cash outflows, and reverse-repurchase agreements maturing within 30 calendar days as cash inflows.

**Capital ratios in accordance with FINMA Circular 16/01**

<b>AS A PERCENTAGE OF RISK-WEIGHTED POSITIONS</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
CET1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 4.5%) <sup>1</sup>	13.8	13.5
Tier 1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 6.0%) <sup>2</sup>	20.2	19.9
Total capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 8.0%) <sup>3</sup>	20.2	19.9
CET1 available to cover BCBS minimum capital and buffer requirements after deduction of AT1 and T2 capital requirements which are filled by CET1	9.3	9.0
CET1 available	13.8	13.5
T1 available	17.8	17.5
Eligible regulatory capital available	20.2	19.9

1 CET1 capital ratio target according to Annex 8 CAO plus countercyclical buffer: 7.8%

2 T1 capital ratio target according to Annex 8 CAO plus countercyclical buffer: 9.6%

3 Total capital ratio target according to Annex 8 CAO plus countercyclical buffer: 12.0%

The countercyclical buffer requirement (as a percentage of risk-weighted positions) is 0 (31.12.2019: 0.1).

All investments in the financial sector (< 10%) are risk-weighted for CAD calculations (30.06.2020: CHF 17.8 mn; 31.12.2019: CHF 17.8 mn).

**Leverage ratio in accordance with FINMA Circular 15/03**

	<b>30.06.2020</b>	<b>31.12.2019</b>
Net eligible BIS tier 1 capital in CHF mn	1,420.7	1,397.5
Total leverage ratio exposure in CHF mn	29,299.1	26,669.2
Leverage ratio (unweighted capital ratio in accordance with Basel III) in %	4.8	5.2

**Liquidity Coverage Ratio in accordance with FINMA Circular 15/02**

<b>AVERAGE</b>	<b>1<sup>ST</sup> HALF YEAR 2020</b>	<b>2<sup>ND</sup> QUARTER 2020</b>	<b>1<sup>ST</sup> QUARTER 2020</b>
Total stock of high quality liquid assets (HQLA) in CHF mn	8,014.6	7,825.4	8,203.7
Total net cash outflows in CHF mn	4,302.8	4,063.5	4,542.0
Liquidity Coverage Ratio LCR in %	186.3	192.6	180.6

# Consolidated income statement

## Consolidated income statement

	NOTE	H1 2020 CHF MN	H1 2019 CHF MN	H2 2019 CHF MN	CHANGE TO H1 2019	
					CHF MN	IN %
Interest income		47.2	62.8	52.7	-15.6	-25
Interest expense		9.4	15.2	12.7	-5.8	-38
<b>Net interest income</b>		<b>37.8</b>	<b>47.6</b>	<b>40.0</b>	<b>-9.8</b>	<b>-21</b>
Credit loss (expense)/ recovery		2.0	0.2	-1.5	1.8	900
<b>Net interest income after credit losses</b>	1	<b>39.8</b>	<b>47.8</b>	<b>38.5</b>	<b>-8.0</b>	<b>-17</b>
Fee and commission income		574.3	540.0	588.5	34.3	6
Fee and commission expense		158.6	131.2	139.9	27.4	21
<b>Net fee and commission income</b>	2	<b>415.6</b>	<b>408.7</b>	<b>448.6</b>	<b>6.9</b>	<b>2</b>
<b>Trading income</b>	3	<b>160.5</b>	<b>162.4</b>	<b>148.4</b>	<b>-1.9</b>	<b>-1</b>
<b>Other income</b>	4	<b>7.1</b>	<b>6.7</b>	<b>0.8</b>	<b>0.4</b>	<b>6</b>
<b>Total operating income</b>		<b>623.0</b>	<b>625.6</b>	<b>636.2</b>	<b>-2.6</b>	<b>-0</b>
Personnel expense	5	314.3	316.0	321.2	-1.7	-1
General expense	6	103.6	107.6	108.6	-4.0	-4
Depreciation of property, equipment (incl. software) and intangible assets	7	47.8	50.8	49.3	-3.0	-6
Provisions and losses	8	1.3	1.6	0.0	-0.3	-19
<b>Total operating expense</b>		<b>466.9</b>	<b>476.1</b>	<b>479.1</b>	<b>-9.2</b>	<b>-2</b>
<b>Profit before taxes</b>		<b>156.1</b>	<b>149.6</b>	<b>157.1</b>	<b>6.5</b>	<b>4</b>
Taxes	9	26.9	18.4	23.2	8.5	46
<b>Group net profit</b>		<b>129.2</b>	<b>131.1</b>	<b>134.0</b>	<b>-1.9</b>	<b>-1</b>
<i>of which allocated to minority interests</i>		7.5	6.4	7.6	1.1	17
<i>of which allocated to shareholders of Vontobel Holding AG</i>		121.6	124.7	126.3	-3.1	-2
<b>Share information (CHF)</b>						
Basic earnings per share <sup>1</sup>		2.18	2.23	2.26	-0.05	-2
Diluted earnings per share <sup>1</sup>		2.14	2.19	2.20	-0.05	-2

1 Basis: weighted average number of shares

# Consolidated statement of comprehensive income

## Consolidated statement of comprehensive income

	NOTE	H1 2020 CHF MN	H1 2019 CHF MN	H2 2019 CHF MN	CHANGE TO H1 2019	
					CHF MN	IN %
<b>Group net profit according to the income statement</b>		<b>129.2</b>	<b>131.1</b>	<b>134.0</b>	<b>-1.9</b>	<b>-1</b>
<b>Other comprehensive income, net of tax</b>	10					
<b>Other comprehensive income that will be reclassified to the income statement</b>						
Currency translation adjustments:						
Income during the reporting period		-11.9	-1.6	-1.8	-10.3	
Gains and losses transferred to the income statement		0.0	0.0	0.0	0.0	
Total currency translation adjustments		-11.9	-1.6	-1.8	-10.3	
Debt instruments in financial investments:						
Income during the reporting period		2.7	23.1	-3.4	-20.4	-88
Gains and losses transferred to the income statement		-1.0	-1.2	0.7	0.2	
Total debt instruments in financial investments		1.7	21.8	-2.7	-20.1	-92
Cash flow hedges:						
Income during the reporting period		0.1	1.4	0.1	-1.3	-93
Gains and losses transferred to the income statement		0.0	0.0	0.0	0.0	
Total cash flow hedges		0.1	1.4	0.1	-1.3	-93
<b>Total other comprehensive income that will be reclassified to the income statement</b>		<b>-10.1</b>	<b>21.7</b>	<b>-4.5</b>	<b>-31.8</b>	<b>-147</b>
<b>Other comprehensive income that will not be reclassified to the income statement</b>						
Income from equity instruments in financial investments		-2.0	14.5	-5.0	-16.5	-114
Income from defined benefit pension plans		-46.1	-24.8	14.4	-21.3	
<b>Total other comprehensive income that will not be reclassified to the income statement</b>		<b>-48.0</b>	<b>-10.4</b>	<b>9.5</b>	<b>-37.6</b>	
<b>Total other comprehensive income, net of tax</b>		<b>-58.2</b>	<b>11.3</b>	<b>5.1</b>	<b>-69.5</b>	<b>-615</b>
<b>Comprehensive income</b>		<b>71.0</b>	<b>142.4</b>	<b>139.0</b>	<b>-71.4</b>	<b>-50</b>
<i>of which allocated to minority interests</i>		<i>7.3</i>	<i>6.5</i>	<i>7.7</i>	<i>0.8</i>	<i>12</i>
<i>of which allocated to shareholders of Vontobel Holding AG</i>		<i>63.7</i>	<i>136.0</i>	<i>131.2</i>	<i>-72.3</i>	<i>-53</i>

# Consolidated balance sheet

## Assets

	30.06.2020	31.12.2019	CHANGE TO 31.12.2019	
	CHF MN	CHF MN	CHF MN	IN %
Cash	6,695.2	7,133.6	-438.4	-6
Due from banks	919.3	622.6	296.7	48
Receivables from securities financing transactions	975.8	355.1	620.7	175
Trading portfolio assets	4,137.6	3,395.6	742.0	22
Positive replacement values	279.5	155.3	124.2	80
Other financial assets at fair value	5,939.8	5,195.2	744.6	14
Loans	5,385.9	5,046.2	339.7	7
Financial investments	2,378.0	2,641.8	-263.8	-10
Investments in associates	0.6	1.0	-0.4	-40
Property, equipment and software	351.1	354.4	-3.3	-1
Goodwill and other intangible assets	560.5	573.3	-12.8	-2
Other assets	973.5	766.2	207.3	27
<b>Total assets</b>	<b>28,596.6</b>	<b>26,240.3</b>	<b>2,356.3</b>	<b>9</b>

## Liabilities and equity

	30.06.2020 CHF MN	31.12.2019 CHF MN	CHANGE TO 31.12.2019	
			CHF MN	IN %
Due to banks	478.5	544.2	-65.7	-12
Payables from securities financing transactions	572.6	218.7	353.9	162
Trading portfolio liabilities	101.6	99.3	2.3	2
Negative replacement values	1,537.7	728.4	809.3	111
Other financial liabilities at fair value	9,765.8	10,663.6	-897.8	-8
Due to customers	12,244.2	10,506.4	1,737.8	17
Debt issued	448.4	448.1	0.3	0
Provisions	18.1	19.4	-1.3	-7
Other liabilities	1,674.4	1,199.0	475.4	40
<b>Total liabilities</b>	<b>26,841.2</b>	<b>24,427.0</b>	<b>2,414.2</b>	<b>10</b>
Share capital	56.9	56.9	0.0	0
Treasury shares	-45.6	-84.2	38.6	
Capital reserve	-259.5	-225.9	-33.6	
Retained earnings	2,056.4	2,109.4	-53.0	-3
Other components of shareholders' equity	-52.8	-42.9	-9.9	
<b>Shareholders' equity</b>	<b>1,755.4</b>	<b>1,813.3</b>	<b>-57.9</b>	<b>-3</b>
Minority interests	0.0	0.0	0.0	
<b>Total equity</b>	<b>1,755.4</b>	<b>1,813.3</b>	<b>-57.9</b>	<b>-3</b>
<b>Total liabilities and equity</b>	<b>28,596.6</b>	<b>26,240.3</b>	<b>2,356.3</b>	<b>9</b>

# Statement of equity

## Statement of equity

CHF MN	SHARE CAPITAL	TREASURY SHARES	CAPITAL RESERVE
<b>Balance as of 01.01.2019</b>	<b>56.9</b>	<b>-98.8</b>	<b>-172.8</b>
Group net profit			
Other comprehensive income that will be reclassified to the income statement			
Other comprehensive income that will not be reclassified to the income statement			
<b>Comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Dividend payment <sup>2</sup>			
Purchase of treasury shares		-17.8	
Sale of treasury shares		5.9	-0.4
Share-based compensation expense			16.7
Allocations from share-based compensation		73.9	-39.8
Change in minority interests			0.0
Change in liability to purchase minority interests			-28.2
Other effects	0.0	0.0	0.0
<b>Ownership-related changes</b>	<b>0.0</b>	<b>61.9</b>	<b>-51.8</b>
<b>Balance as of 30.06.2019</b>	<b>56.9</b>	<b>-36.8</b>	<b>-224.6</b>
<b>Balance as of 01.01.2020</b>	<b>56.9</b>	<b>-84.2</b>	<b>-225.9</b>
Group net profit			
Other comprehensive income that will be reclassified to the income statement			
Other comprehensive income that will not be reclassified to the income statement			
<b>Comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Dividend payment <sup>2</sup>			
Purchase of treasury shares		-29.8	
Sale of treasury shares		7.9	-0.6
Share-based compensation expense			16.8
Allocations from share-based compensation		60.5	-41.4
Change in minority interests			0.0
Change in liability to purchase minority interests			-8.4
Other effects	0.0	0.0	0.0
<b>Ownership-related changes</b>	<b>0.0</b>	<b>38.6</b>	<b>-33.6</b>
<b>Balance as of 30.06.2020</b>	<b>56.9</b>	<b>-45.6</b>	<b>-259.5</b>

1 "Currency translation adjustments", "Unrealized income from debt instruments in financial investments" and "Cash flow hedges" are reported in the balance sheet item "Other components of shareholders' equity".

2 Vontobel Holding AG paid a dividend (gross) of CHF 2.25 (previous year CHF 2.10) per registered share with a par value of CHF 1.00 in April 2020.

RETAINED EARNINGS	CURRENCY TRANSLATION ADJUSTMENTS <sup>1</sup>	UNREALIZED INCOME FROM DEBT INSTRUMENTS IN FINANCIAL INVESTMENTS <sup>1</sup>	CASH FLOW HEDGES <sup>1</sup>	SHAREHOLDERS' EQUITY	MINORITY INTERESTS	TOTAL EQUITY
<b>1,978.0</b>	<b>-51.4</b>	<b>-7.3</b>	<b>-1.1</b>	<b>1,703.5</b>	<b>0.0</b>	<b>1,703.5</b>
124.7				124.7	6.4	131.1
	-1.6	21.8	1.4	21.7	0.1	21.7
-10.4				-10.4	0.0	-10.4
<b>114.3</b>	<b>-1.6</b>	<b>21.8</b>	<b>1.4</b>	<b>136.0</b>	<b>6.5</b>	<b>142.4</b>
-118.4				-118.4	-10.0	-128.4
				-17.8	0.0	-17.8
				5.4	0.0	5.4
				16.7	0.0	16.7
				34.1	0.0	34.1
	0.0	0.0		0.0	0.0	0.0
				-28.2	3.5	-24.8
0.0		0.0		0.0	0.0	0.0
<b>-118.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-108.2</b>	<b>-6.5</b>	<b>-114.7</b>
<b>1,974.0</b>	<b>-53.0</b>	<b>14.6</b>	<b>0.3</b>	<b>1,731.3</b>	<b>0.0</b>	<b>1,731.3</b>
<b>2,109.4</b>	<b>-54.9</b>	<b>11.6</b>	<b>0.4</b>	<b>1,813.3</b>	<b>0.0</b>	<b>1,813.3</b>
121.6				121.6	7.5	129.2
	-11.6	1.7	0.1	-9.9	-0.3	-10.1
-48.0				-48.0	0.0	-48.0
<b>73.6</b>	<b>-11.6</b>	<b>1.7</b>	<b>0.1</b>	<b>63.7</b>	<b>7.3</b>	<b>71.0</b>
-126.6				-126.6	-7.9	-134.5
				-29.8	0.0	-29.8
				7.3	0.0	7.3
				16.8	0.0	16.8
				19.1	0.0	19.1
	0.0	0.0		0.0	0.0	0.0
				-8.4	0.7	-7.8
0.0		0.0		0.0	0.0	0.0
<b>-126.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-121.6</b>	<b>-7.3</b>	<b>-128.9</b>
<b>2,056.4</b>	<b>-66.5</b>	<b>13.2</b>	<b>0.4</b>	<b>1,755.4</b>	<b>0.0</b>	<b>1,755.4</b>

# Share capital and treasury shares

## Share capital

	SHARE CAPITAL		AUTHORIZED CAPITAL		NUMBER OF OUTSTANDING SHARES <sup>1</sup>
	NUMBER OF SHARES	PAR VALUE CHF MN	NUMBER OF SHARES	PAR VALUE CHF MN	
Balance as of 01.01.2019	56,875,000	56.9	0	0.0	55,284,456
Balance as of 31.12.2019	56,875,000	56.9	0	0.0	55,433,353
<b>Balance as of 30.06.2020</b>	<b>56,875,000</b>	<b>56.9</b>	<b>0</b>	<b>0.0</b>	<b>56,066,215</b>

The share capital is fully paid in.

1 Share capital excluding treasury shares

## Treasury shares

	NUMBER	CHF MN
Balance as of 01.01.2019	1,590,544	98.8
Purchases	319,778	17.8
Decreases	-1,288,608	-79.7
Balance as of 30.06.2019	621,714	36.8
Purchases	972,473	55.9
Decreases	-152,540	-8.5
Balance as of 31.12.2019	1,441,647	84.2
Purchases	547,603	29.8
Decreases	-1,180,465	-68.4
<b>Balance as of 30.06.2020</b>	<b>808,785</b>	<b>45.6</b>

As of 30.06.2020 Vontobel held 4,711 (previous year 41,720) treasury shares to secure options and structured products. Own shares were offset against shareholders' equity in accordance with IAS 32.

# Consolidated cash flow statement

## Consolidated cash flow statement

CHF MN	H1 2020	H1 2019
<b>Cash flow from operating activities</b>		
Group net profit (incl. minorities)	129.2	131.1
<b>Reconciliation to net cash flow from operating activities</b>		
Non-cash positions in Group results:		
Depreciation and valuation adjustments of property, equipment (incl. software) and intangible assets	47.8	50.8
Credit loss expense/(recovery)	-2.0	-0.1
Net effect from investments in associates	0.5	0.3
Deferred income taxes	-5.0	-6.7
Change in provisions	-1.4	1.3
Net income from investing activities	-1.7	1.8
Net income from disposal of property, equipment (incl. software) and intangible assets	0.0	0.0
Other non-cash income	23.1	18.6
Net (increase)/ decrease in assets relating to banking activities:		
Due from/ to banks, net	-58.2	25.0
Receivables from securities financing transactions	-620.7	-151.0
Trading positions and replacement values, net	-10.9	-954.4
Other financial assets/ liabilities at fair value, net	-1,642.3	1,236.3
Loans/ due to customers, net	1,398.8	-1,675.4
Other assets	-194.6	-693.3
Net increase/(decrease) in liabilities relating to banking activities:		
Payables from securities financing transactions	354.0	-34.5
Other liabilities	466.3	702.5
Taxes paid	-39.4	-24.2
<b>Cash flow from operating activities</b>	<b>-156.5</b>	<b>-1,371.9</b>
<b>Cash flow from investing activities</b>		
Business combinations	0.0	91.0
Disposal of subsidiaries and associates	0.0	0.0
Settlement of earn-out payments	-0.5	0.2
Purchase of property, equipment (incl. software) and intangible assets	-23.8	-28.2
Disposal of property, equipment (incl. software) and intangible assets	0.0	0.0
Investment in financial instruments	-191.0	-136.4
Divestment of financial instruments	415.6	668.7
<b>Cash flow from investing activities</b>	<b>200.4</b>	<b>595.3</b>
<b>Cash flow from financing activities</b>		
Repayment of leasing liabilities	-16.9	-13.1
Net movements in treasury shares	-22.5	-12.3
Dividends paid	-134.5	-128.4
Issued debt instruments	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-173.9</b>	<b>-153.8</b>
Effects of exchange rate differences	-4.2	-1.5
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-134.3</b>	<b>-931.8</b>
Cash and cash equivalents, beginning of the year	7,748.5	8,362.6
<b>Cash and cash equivalents at the balance sheet date</b>	<b>7,614.3</b>	<b>7,430.7</b>

The recognition of a lease liability and of a corresponding right of use asset at the lease commencement date as well as the recognition of changes in the liability to acquire minority interests in TwentyFour Asset Management LLP in shareholders' equity represent significant non-cash items. These two liabilities, together with the liability from the AT1 bond, represent liabilities from financing activities.

**Information on the consolidated cash flow statement**

CHF MN	30.06.2020	30.06.2019
<b>Cash and cash equivalents comprise at the balance sheet date</b>		
Cash <sup>1</sup>	6,695.2	6,136.6
Due from banks on demand	919.1	1,294.1
<b>Total</b>	<b>7,614.3</b>	<b>7,430.7</b>

**Further information**

CHF MN	H1 2020	H1 2019
Dividends received	25.7	35.5
Interest received	40.7	97.6
Interest paid	10.1	16.6

<sup>1</sup> "Cash" comprises petty cash, giro and demand deposits at the Swiss National Bank and foreign central banks, as well as clearing credit balances at recognized clearing centers and clearing banks.

# Accounting principles

## 1. Basis of presentation

Vontobel's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). This half-year report meets the requirements set out in IAS 34 – Interim Financial Reporting. Since it does not contain all of the information and disclosures required in the Annual Report, this interim report should be read in conjunction with the audited consolidated financial statements in the Annual Report 2019. With the exception of the following changes, the accounting principles applied in this report are the same as in the consolidated financial statements dated December 31, 2019.

## 2. Changes in financial reporting

### 2.1 Changes in accounting principles

#### 2.1.1 Standards and interpretations that have been implemented

The following new or revised standards and interpretations were applied by Vontobel for the first time in the financial year 2020:

#### IFRS 9 and IFRS 7 – Interest Rate Benchmark Reform (phase 1)

The amendments address uncertainty related to potential effects of IBOR reform (replacement of existing reference rates such as LIBOR and EURIBOR with alternative interest rates) on certain hedge accounting requirements that are based on forward-looking analysis. The corresponding requirements are to be applied as if the reference rate on which hedged cash flows and cash flows from the hedging instrument are based is not altered as a result of interest rate benchmark reform.

The first-time application of the changes had no impact on Vontobel's consolidated financial statements.

#### Other new standards and interpretations

The following new or revised standards and interpretations did not have any significant impacts on Vontobel when applied for the first time or were not relevant for Vontobel:

- IAS 1/IAS 8 – Definition of Material;
- IFRS 3 – Definition of a Business;
- Conceptual Framework.

#### 2.1.2 Other changes

##### Segment reporting

Following the realignment implemented as of January 1, 2020, in connection with "One Vontobel", segment reporting had to be adjusted. Prior-year figures have been adjusted to the new presentation for comparison purposes. See note 16 for further information.

##### Early repayment fees

With effect from the current year, the fees that Vontobel charges clients for the early repayment of a loan have been recognized in the income statement in "Net interest income after credit losses" (sub-line item "Interest income from banks and customers") since they are similar in nature to interest. The fees were previously recognized in "Net fee and commission income" (sub-line item "Other fee and commission income"). For comparative purposes, in the income statement for the financial year 2019, CHF 1.9 mn (H1 2019: CHF 1.5 mn; H2 2019: CHF 0.4 mn) was reclassified from "Net fee and commission income" to "Net interest income after credit losses". This reclassification had no impact on the previous year's net profit or consolidated shareholders' equity.

#### 2.2 Changes in estimates

To ensure a consistent valuation of exchanged-traded derivatives and of other derivatives held by Vontobel, exchange-traded derivatives have, since the first half of 2020, no longer been valued at the settlement prices of the relevant exchanges. Instead, they have since been valued using generally accepted valuation models that are also applied to the other derivatives held by Vontobel. As a result of this change, exchange-traded derivatives are now classed as level 2 instruments (previously level 1 instruments). As of the date of this change, financial assets and financial liabilities with a book value of CHF 271 mn and CHF 1,145 mn, respectively, were transferred from level 1 to level 2. This change did not have a material impact on the balance sheet and the income statement.

# Details on consolidated income statement

## 1 Net interest income after credit losses

	H1 2020 CHF MN	H1 2019 CHF MN	H2 2019 CHF MN	CHANGE TO H1 2019	
				CHF MN	IN %
Interest income from banks and customers	29.5	33.7	31.8	-4.2	-12
Interest income from receivables from securities financing transactions	2.1	0.8	3.7	1.3	163
Interest income from financial liabilities	3.4	2.9	2.9	0.5	17
<b>Total interest income from financial instruments at amortized cost</b>	<b>34.9</b>	<b>37.3</b>	<b>38.4</b>	<b>-2.4</b>	<b>-6</b>
Dividend income from equity instruments in financial investments <sup>1</sup>	1.6	8.5	0.8	-6.9	-81
Interest income from debt instruments in financial investments	10.7	17.0	13.5	-6.3	-37
<b>Total interest and dividend income from financial investments</b>	<b>12.3</b>	<b>25.5</b>	<b>14.2</b>	<b>-13.2</b>	<b>-52</b>
<b>Total interest income</b>	<b>47.2</b>	<b>62.8</b>	<b>52.7</b>	<b>-15.6</b>	<b>-25</b>
Interest expense from payables from securities financing transactions	-0.6	1.3	0.6	-1.9	-146
Interest expense from other financial liabilities at amortized cost	9.2	9.6	10.3	-0.4	-4
Interest expense from financial assets	0.9	4.3	1.8	-3.4	-79
<b>Total interest expense from financial instruments at amortized cost</b>	<b>9.4</b>	<b>15.2</b>	<b>12.7</b>	<b>-5.8</b>	<b>-38</b>
Credit loss (expense)/ recovery on debt instruments in financial investments	0.1	0.1	0.0	0.0	0
Other credit loss (expense)/ recovery	2.0	0.1	-1.6	1.9	
<b>Total credit loss (expense)/ recovery</b>	<b>2.0</b>	<b>0.2</b>	<b>-1.5</b>	<b>1.8</b>	<b>900</b>
<b>Total</b>	<b>39.8</b>	<b>47.8</b>	<b>38.5</b>	<b>-8.0</b>	<b>-17</b>

1 All income comprises positions that were still held at the end of the reporting period.

## 2 Net fee and commission income

	H1 2020	H1 2019	H2 2019	CHANGE TO H1 2019	
	CHF MN	CHF MN	CHF MN	CHF MN	IN %
Brokerage fees	63.1	50.6	50.2	12.5	25
Administration and custody fees	99.6	97.8	106.0	1.8	2
Advisory and management fees	393.6	366.6	407.4	27.0	7
Corporate finance	0.4	2.3	3.9	-1.9	-83
Other commission income from securities and investment transactions	13.8	19.2	18.2	-5.4	-28
<b>Total fee and commission income from securities and investment transactions</b>	<b>570.4</b>	<b>536.6</b>	<b>585.7</b>	<b>33.8</b>	<b>6</b>
<b>Other fee and commission income</b>	<b>3.9</b>	<b>3.4</b>	<b>2.8</b>	<b>0.5</b>	<b>15</b>
Brokerage fees	14.4	12.9	12.7	1.5	12
Other commission expense	144.2	118.3	127.2	25.9	22
<b>Total commission expense</b>	<b>158.6</b>	<b>131.2</b>	<b>139.9</b>	<b>27.4</b>	<b>21</b>
<b>Total</b>	<b>415.6</b>	<b>408.7</b>	<b>448.6</b>	<b>6.9</b>	<b>2</b>

## 3 Trading income

	H1 2020	H1 2019	H2 2019	CHANGE TO H1 2019	
	CHF MN	CHF MN	CHF MN	CHF MN	IN %
Securities	-1,156.9	611.6	-85.5	-1,768.5	-289
Other financial instruments at fair value	1,306.1	-470.8	218.8	1,776.9	
Forex and precious metals	11.3	21.6	15.0	-10.3	-48
<b>Total</b>	<b>160.5</b>	<b>162.4</b>	<b>148.4</b>	<b>-1.9</b>	<b>-1</b>

Trading income in the first half year of 2020 included income of CHF 4.3 mn (H1 2019: CHF -4.7 mn; H2 2019: CHF -14.1 mn) for financial instruments in the balance sheet item "Other financial liabilities at fair value". This income is attributable to changes in fair value due to a change in own credit risk. Of the total impact, CHF -0.4 mn was realized in the first half year of 2020 (H1 2019: CHF -0.6 mn; H2 2019: CHF -1.1 mn), while the remaining CHF 4.7 mn (H1 2019: CHF -4.1 mn; H2 2019: CHF -13.0 mn) comprises unrealized income. The changes in own credit risk resulted in cumulative income of CHF -5.4 mn, of which CHF 2.3 mn was realized and CHF -7.7 mn was unrealized. Cumulative unrealized income is shown in the balance sheet item "Other financial liabilities at fair value" and will be completely reversed over the term of the relevant instruments provided they are not redeemed or repurchased prior to their contractual maturity. In the second half of 2019, the method used to calculate own credit risk was refined. Prior to this, own credit risk consisted not only of the credit risk component in the narrower sense but also of a liquidity component. Due to the refinement of the calculation method, the two components have since been handled separately. Consequently, own credit risk now solely reflects credit risk in the narrower sense. At the transition date, this resulted in an effect through profit or loss of minus CHF 8.7 mn for the credit risk component, which is included in the above figures for the second half of 2019, and an opposite effect through profit or loss of CHF 9.2 mn for the liquidity component.

## 4 Other income

	H1 2020 CHF MN	H1 2019 CHF MN	H2 2019 CHF MN	CHANGE TO H1 2019	
				CHF MN	IN %
Real estate income <sup>1</sup>	0.8	0.7	0.8	0.1	14
Income from the sale of property and equipment	0.0	0.0	0.0	0.0	
Income from the sale of debt instruments in financial investments	4.7	3.9	-0.2	0.8	21
Income from investments in associates	0.5	0.4	0.4	0.1	25
of which share of profit	0.5	0.4	0.4	0.1	25
of which impairments	0.0	0.0	0.0	0.0	
Other income	1.1	1.6	-0.2	-0.5	-31
<b>Total</b>	<b>7.1</b>	<b>6.7</b>	<b>0.8</b>	<b>0.4</b>	<b>6</b>

1 Income from the subleasing of business premises

## 5 Personnel expense

	H1 2020 CHF MN	H1 2019 CHF MN	H2 2019 CHF MN	CHANGE TO H1 2019	
				CHF MN	IN %
Salaries and bonuses	256.2	260.2	263.0	-4.0	-2
Pension and other employee benefit plans <sup>1</sup>	26.7	24.2	25.2	2.5	10
Other social contributions	21.7	21.8	21.7	-0.1	-0
Other personnel expense	9.7	9.8	11.3	-0.1	-1
<b>Total</b>	<b>314.3</b>	<b>316.0</b>	<b>321.2</b>	<b>-1.7</b>	<b>-1</b>

Personnel expense includes the expense for share-based compensation of CHF 16.8 mn (H1 2019: CHF 15.7 mn; H2 2019: CHF 15.3 mn), of which CHF 12.9 mn (H1 2019: CHF 11.9 mn; H2 2019: CHF 12.3 mn) relates to performance shares and CHF 3.9 mn (H1 2019: CHF 3.8 mn; H2 2019: CHF 3.0 mn) to the awarding of bonus shares at preferential terms as well as deferred compensation in cash of CHF 2.7 mn (H1 2019: CHF 2.2 mn; H2 2019: CHF 2.6 mn).

1 H2 2019: Expense from pension and other employee benefit plans includes the impacts of changes to Swiss pension fund regulations in the amount of CHF 0.5 mn (expense due to changes related to early retirement).

## 6 General expense

	H1 2020 CHF MN	H1 2019 CHF MN	H2 2019 CHF MN	CHANGE TO H1 2019	
				CHF MN	IN %
Occupancy expense	6.0	6.0	5.9	0.0	0
IT, telecommunications and other equipment	47.0	47.4	40.5	-0.4	-1
Travel and representation, public relations, marketing	12.5	18.8	24.9	-6.3	-34
Consulting and audit fees	16.0	16.0	18.9	0.0	0
Other general expense	21.9	19.5	18.5	2.4	12
<b>Total</b>	<b>103.6</b>	<b>107.6</b>	<b>108.6</b>	<b>-4.0</b>	<b>-4</b>

## 7 Depreciation of property, equipment (incl. software) and intangible assets

	H1 2020	H1 2019	H2 2019	CHANGE TO H1 2019	
	CHF MN	CHF MN	CHF MN	CHF MN	IN %
Depreciation of property and equipment (incl. software)	40.6	42.0	40.6	-1.4	-3
Amortization of other intangible assets	6.8	8.7	8.2	-1.9	-22
Impairments of property and equipment (incl. software)	0.4	0.2	0.5	0.2	100
<b>Total</b>	<b>47.8</b>	<b>50.8</b>	<b>49.3</b>	<b>-3.0</b>	<b>-6</b>

## 8 Provisions and losses

	H1 2020	H1 2019	H2 2019	CHANGE TO H1 2019	
	CHF MN	CHF MN	CHF MN	CHF MN	IN %
Increase in provisions	0.0	1.6	0.8	-1.6	-100
Release of provisions	-0.2	0.0	-0.7	-0.2	
Recoveries	0.0	0.0	0.0	0.0	
Other	1.5	0.0	-0.2	1.5	
<b>Total</b>	<b>1.3</b>	<b>1.6</b>	<b>0.0</b>	<b>-0.3</b>	<b>-19</b>

## 9 Taxes

	H1 2020	H1 2019	H2 2019	CHANGE TO H1 2019	
	CHF MN	CHF MN	CHF MN	CHF MN	IN %
Current income taxes	31.9	25.2	26.9	6.7	27
Deferred income taxes	-5.0	-6.7	-3.8	1.7	
<b>Total</b>	<b>26.9</b>	<b>18.4</b>	<b>23.2</b>	<b>8.5</b>	<b>46</b>

## 10 Tax effects to other comprehensive income

CHF MN	H1 2020		
	AMOUNT BEFORE TAX	TAX INCOME/ (EXPENSE)	AMOUNT NET OF TAX
Translation differences during the reporting period	-11.9	0.0	-11.9
Translation differences transferred to the income statement	0.0	0.0	0.0
Income from debt instruments in financial investments during the reporting period	3.5	-0.9	2.7
Income from debt instruments in financial investments transferred to the income statement	-1.3	0.2	-1.0
Income from cash flow hedges during the reporting period	0.1	0.0	0.1
Income from cash flow hedges transferred to the income statement	0.0	0.0	0.0
Income from equity instruments in financial investments	-2.4	0.5	-2.0
Income from defined benefit pension plans	-57.6	11.5	-46.1
<b>Total</b>	<b>-69.5</b>	<b>11.3</b>	<b>-58.2</b>

CHF MN	H1 2019		
	AMOUNT BEFORE TAX	TAX INCOME/ (EXPENSE)	AMOUNT NET OF TAX
Translation differences during the reporting period	-1.6	0.0	-1.6
Translation differences transferred to the income statement	0.0	0.0	0.0
Income from debt instruments in financial investments during the reporting period	29.1	-6.0	23.1
Income from debt instruments in financial investments transferred to the income statement	-1.6	0.3	-1.2
Income from cash flow hedges during the reporting period	1.4	0.0	1.4
Income from cash flow hedges transferred to the income statement	0.0	0.0	0.0
Income from equity instruments in financial investments	18.3	-3.9	14.5
Income from defined benefit pension plans	-31.4	6.6	-24.8
<b>Total</b>	<b>14.2</b>	<b>-2.9</b>	<b>11.3</b>

CHF MN	H2 2019		
	AMOUNT BEFORE TAX	TAX INCOME/ (EXPENSE) <sup>1</sup>	AMOUNT NET OF TAX
Translation differences during the reporting period	-1.8	0.0	-1.8
Translation differences transferred to the income statement	0.0	0.0	0.0
Income from debt instruments in financial investments during the reporting period	-5.4	1.9	-3.4
Income from debt instruments in financial investments transferred to the income statement	0.9	-0.2	0.7
Income from cash flow hedges during the reporting period	0.1	-0.1	0.1
Income from cash flow hedges transferred to the income statement	0.0	0.0	0.0
Income from equity instruments in financial investments	-9.8	4.9	-5.0
Income from defined benefit pension plans	19.1	-4.7	14.4
<b>Total</b>	<b>3.1</b>	<b>1.8</b>	<b>5.0</b>

1 Including tax impact of CHF 1.5 mn due to the Swiss Federal Act on Tax Reform and AHV Financing 2019 (TRAF)

# Risk related to balance sheet

## 11 Fair value of financial instruments

### 11a Financial instruments measured at fair value

The following table shows the assignment to the fair value hierarchy of those financial instruments that are measured at fair value. Fair value is defined as the price that would be

received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Financial instruments measured at fair value

CHF MN	LEVEL 1	LEVEL 2	LEVEL 3	30.06.2020 TOTAL
<b>Assets</b>				
Trading portfolio assets	4,084.2	53.3	0.1	4,137.6
<i>Debt instruments</i>	251.9	53.3	0.0	305.2
<i>Equity instruments</i>	2,175.6	0.0	0.0	2,175.6
<i>Units in investment funds</i>	219.6	0.0	0.1	219.7
<i>Precious metals and cryptocurrencies</i>	1,437.1	-	-	1,437.1
Positive replacement values	-	279.5	-	279.5
Other financial assets at fair value	4,068.0	1,866.0	5.8	5,939.8
<i>Debt instruments</i> <sup>1</sup>	4,022.8	1,800.1	0.0	5,822.9
<i>Equity instruments</i>	0.0	0.0	2.2	2.2
<i>Units in investment funds</i>	45.2	0.0	3.6	48.8
<i>Structured products</i>	-	65.9	-	65.9
Financial investments	2,170.2	92.2	115.6	2,378.0
<i>Debt instruments</i>	2,170.2	92.2	0.0	2,262.4
<i>Equity instruments</i>	0.0	0.0	115.6	115.6
Other assets	0.0	0.0	-	0.0
<b>Total financial assets at fair value</b>	<b>10,322.4</b>	<b>2,291.0</b>	<b>121.5</b>	<b>12,734.9</b>
<b>Liabilities</b>				
Trading portfolio liabilities	89.1	12.5	0.0	101.6
<i>Debt instruments</i>	32.2	12.5	-	44.7
<i>Equity instruments</i>	56.9	-	0.0	56.9
Negative replacement values	-	1,537.7	-	1,537.7
Other financial liabilities at fair value <sup>2</sup>	-	9,765.8	-	9,765.8
<i>Structured products</i>	-	9,160.8	-	9,160.8
<i>Debt instruments</i>	-	605.1	-	605.1
Other liabilities	0.0	0.0	125.0	125.0
<b>Total financial liabilities at fair value</b>	<b>89.1</b>	<b>11,316.0</b>	<b>125.0</b>	<b>11,530.1</b>

1 In the case of debt instruments measured at fair value through profit and loss, the difference between the book value (fair value) and the contractually agreed redemption amount at maturity was CHF 43.2 mn.

2 Level 2 of the balance sheet item "Other financial liabilities at fair value" contains listed issued products with a fair value of CHF 4,695.4 mn.

## Financial instruments measured at fair value

CHF MN	LEVEL 1	LEVEL 2	LEVEL 3	31.12.2019 TOTAL
<b>Assets</b>				
Trading portfolio assets	3,221.5	173.9	0.1	3,395.6
<i>Debt instruments</i>	176.3	173.9	-	350.3
<i>Equity instruments</i>	2,039.2	-	0.0	2,039.2
<i>Units in investment funds</i>	192.7	0.0	0.1	192.8
<i>Precious metals and cryptocurrencies</i>	813.3	-	-	813.3
Positive replacement values	39.6	115.7	-	155.3
Other financial assets at fair value	4,019.6	1,170.2	5.5	5,195.2
<i>Debt instruments<sup>1</sup></i>	3,980.1	1,100.9	-	5,081.0
<i>Equity instruments</i>	0.0	-	1.8	1.8
<i>Units in investment funds</i>	39.5	0.6	3.7	43.7
<i>Structured products</i>	-	68.7	-	68.7
Financial investments	2,449.7	74.0	118.1	2,641.8
<i>Debt instruments</i>	2,449.7	74.0	-	2,523.7
<i>Equity instruments</i>	0.0	-	118.1	118.1
Other assets	0.0	0.0	0.0	0.0
<b>Total financial assets at fair value</b>	<b>9,730.4</b>	<b>1,533.8</b>	<b>123.7</b>	<b>11,387.9</b>
<b>Liabilities</b>				
Trading portfolio liabilities	92.4	6.8	0.0	99.3
<i>Debt instruments</i>	34.7	6.8	-	41.5
<i>Equity instruments</i>	57.7	-	0.0	57.7
Negative replacement values	175.2	553.2	-	728.4
Other financial liabilities at fair value <sup>2</sup>	-	10,663.6	-	10,663.6
<i>Structured products</i>	-	9,159.8	-	9,159.8
<i>Debt instruments</i>	-	1,503.8	-	1,503.8
Other liabilities	-	0.0	117.2	117.2
<b>Total financial liabilities at fair value</b>	<b>267.6</b>	<b>11,223.6</b>	<b>117.2</b>	<b>11,608.4</b>

1 In the case of debt instruments measured at fair value through profit and loss, the difference between the book value (fair value) and the contractually agreed redemption amount at maturity was CHF 48.7 mn.

2 Level 2 of the balance sheet item "Other financial liabilities at fair value" contains listed issued products with a fair value of CHF 4,785.7 mn.

## Level 1 instruments

In the fair value hierarchy defined in IFRS 13, level 1 instruments are those financial instruments whose fair value is based on quoted prices in active markets. This category essentially comprises almost all equity instruments and government bonds, liquid interest rate instruments issued by public sector entities and companies, investment funds for which a binding net asset value is published at least daily, precious metals and cryptocurrencies.

Mid-market prices are used for the valuation of interest rate instruments in the trading book provided the market price risks from these positions are offset fully or to a significant extent by other positions in the trading book. For

the valuation of other interest rate instruments, bid prices

are used in the case of long positions and ask prices are used in the case of short positions. For equity instruments and listed investment funds, the closing prices of the relevant markets are used. Published net asset values are used in the case of unlisted investment funds. In the case of foreign currencies, precious metals and cryptocurrencies, generally accepted prices are applied.

No valuation adjustments are made in the case of level 1 instruments.

**Level 2 instruments**

Level 2 instruments are financial instruments whose fair value is based on quoted prices in markets that are not active or on a valuation method where significant input parameters can be observed directly or indirectly. This mainly includes derivatives, products issued by Vontobel and interest rate instruments issued by public sector entities and companies with reduced market liquidity, as well as investment funds for which a binding net asset value is published at least quarterly.

Generally accepted valuation models and quoted prices in markets that are not active are used to determine the fair value of derivatives, including option components of structured products. The present value method is used to determine the fair value of the interest rate components of issued products. To measure the fair value of interest rate instruments where quoted prices are available but the low trading volume means there is no active market, the same rules apply to the use of mid-market prices and bid or ask prices as for the corresponding level 1 instruments. The valuation of interest rate instruments for which no quoted prices are available is carried out using generally recognized methods. Published net asset values are used in the case of investment funds.

The valuation models take account of the relevant parameters such as contract specifications, the market prices of the underlying assets, foreign exchange rates, market interest rates or funding rates, default risks, volatilities and correlations. Vontobel's credit risk is only taken into account when determining the fair value of financial liabilities if market participants would consider it when calculating prices. OTC derivatives are traded only on a collateralized basis, which is why own credit risk (as well as third-party credit risk in the case of receivables) is not included in the valuation.

**Level 3 instruments**

Level 3 instruments are financial instruments whose fair value is based on a valuation method that uses at least one significant input parameter that cannot be observed directly or indirectly in the market. They include primarily the liability to acquire the minority interests in TwentyFour Asset Management LLP and several unlisted equity instruments in financial investments.

The fair value of the liability to acquire minority interests in TwentyFour Asset Management LLP is calculated using a discounted cash flow analysis in which expected future cash flows based on internal business plans are discounted. This involves various input parameters that cannot be observed such as the future development of assets under management, their profitability, the cost/income ratio and long-term growth.

The fair value of unlisted equity securities is based on the proportionate share of the net asset value, taking account of any further measurement-relevant factors.

The following table shows the change in level 3 financial instruments in Vontobel's balance sheet and the income on the positions as of the balance sheet date.

## Level 3 financial instruments

CHF MN	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL INVESTMENTS	OTHER ASSETS	30.06.2020 TOTAL FINANCIAL ASSETS	OTHER LIABILITIES <sup>1</sup>	30.06.2020 TOTAL FINANCIAL LIABILITIES
<b>Balance sheet</b>						
Holdings at the beginning of the year	5.6	118.1	0.0	123.7	-117.2	-117.2
Additions in scope of consolidations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals from scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0
Investments	0.4	0.0	0.0	0.4	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Redemptions	0.0	0.0	0.0	0.0	0.5	0.5
Net gains/(losses) recognized in the income statement	-0.1	0.0	0.0	-0.1	-0.4	-0.4
Net gains/(losses) recognized in other comprehensive income	0.0	-2.4	0.0	-2.4	0.0	0.0
Change recognized in shareholders' equity	0.0	0.0	0.0	0.0	-7.6	-7.6
Reclassifications to level 3	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications from level 3	0.0	0.0	0.0	0.0	0.0	0.0
Translation differences	0.0	0.0	0.0	0.0	-0.3	-0.3
<b>Total book value at balance sheet date</b>	<b>5.9</b>	<b>115.6</b>	<b>0.0</b>	<b>121.5</b>	<b>-125.0</b>	<b>-125.0</b>
<b>Income in the financial year on holdings on balance sheet date</b>						
				<b>H1 2020</b>		<b>H1 2020</b>
Net gains/(losses) recognized in the income statement	-0.1	-	0.0	-0.1	-0.4	-0.4
Net gains/(losses) recognized in other comprehensive income	-	-2.4	-	-2.4	-	0.0

1 This item contains the liability to acquire the minority interests in TwentyFour Asset Management LLP (30.06.2020: CHF 122.4 mn; 31.12.2019: CHF 114.2 mn) and the liability from an earn-out-agreement relating to the acquisition of the US-based private clients portfolio from Lombard Odier (30.06.2020: CHF 2.6 mn; 31.12.2019: CHF 3.0 mn).

## Level 3 financial instruments

CHF MN	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL INVESTMENTS	OTHER ASSETS	30.06.2019 TOTAL FINANCIAL ASSETS	OTHER LIABILITIES <sup>1</sup>	30.06.2019 TOTAL FINANCIAL LIABILITIES
<b>Balance sheet</b>						
Holdings at the beginning of the year	5.8	108.2	1.1	115.0	-70.9	-70.9
Additions in scope of consolidations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals from scope of consolidation	0.0	0.0	0.0	0.0	0.0	0.0
Investments	0.0	0.0	0.0	0.0	-3.5	-3.5
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Redemptions	-0.1	0.0	-0.2	-0.3	0.0	0.0
Net gains/(losses) recognized in the income statement	-0.1	0.0	0.0	-0.1	-0.4	-0.4
Net gains/(losses) recognized in other comprehensive income	0.0	18.4	0.0	18.4	0.0	0.0
Change recognized in shareholders' equity	0.0	0.0	0.0	0.0	-24.2	-24.2
Reclassifications to level 3	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications from level 3	0.0	0.0	0.0	0.0	0.0	0.0
Translation differences	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total book value at balance sheet date</b>	<b>5.7</b>	<b>126.6</b>	<b>0.9</b>	<b>133.2</b>	<b>-98.9</b>	<b>-98.9</b>
<b>Income in the financial year on holdings on balance sheet date</b>						
				<b>H1 2019</b>		<b>H1 2019</b>
Net gains/(losses) recognized in the income statement	-0.1	-	0.0	-0.1	-0.4	-0.4
Net gains/(losses) recognized in other comprehensive income	-	18.4	-	18.4	-	0.0

1 This item contains the liability to acquire the minority interests in TwentyFour Asset Management LLP (30.6.2019: CHF 95.4 mn; 31.12.2018: CHF 70.9 mn) and the liability from an earn-out-agreement relating to the acquisition of the US-based private clients portfolio from Lombard Odier (30.06.2019: CHF 3.5 mn; 31.12.2018: CHF n/a).

### Valuation adjustments

The fair value of level 2 and level 3 instruments is always an estimate or an approximation of a value that cannot be determined with absolute certainty. In addition, the valuation methods used do not always reflect all the factors that are relevant when determining fair value. To ensure appropriate valuations in the case of products issued by Vontobel and OTC contracts, further factors such as model uncertainties and liquidity risks are taken into account where this is deemed necessary. Adjustments made due to model uncertainties reflect the limits of the valuation model used. Adjustments made due to liquidity risks take account of pricing risks related to hedging positions. Management believes it is necessary and appropriate to take these factors into account in order to correctly determine the fair value.

The appropriateness of the valuation of financial instruments that are not traded in an active market is ensured through the application of clearly defined methods and

processes as well as independent controls. The control processes comprise the analysis and approval of new instruments, the regular analysis of risks as well as gains and losses, the verification of prices and the examination of the models on which the estimates of the fair value of financial instruments are based. These controls are conducted by units that possess the relevant specialist knowledge and operate independently from the trading and investment functions.

### Sensitivity of fair values of level 3 instruments

Key assumptions for the measurement of the liability to acquire minority interests in TwentyFour Asset Management LLP are the discount rate (30.06.2020: 12.0%; 31.12.2019: 12.0%) that will be used to discount future cash flows, as well as the long-term growth of these cash flows (30.06.2020: 1.0%; 31.12.2019: 1.0%). The following table shows how the measurement is affected by changes in these two assumptions.

### Key assumptions

	VARIATION OF THE KEY ASSUMPTION	CHANGE IN THE FAIR VALUE AS OF 30.06.2020 IN CHF MN	CHANGE IN THE FAIR VALUE AS OF 31.12.2019 IN CHF MN
Discount rate	+1 percentage point	-10.4	-9.7
Discount rate	-1 percentage point	12.5	11.7
Long-term growth	+1 percentage point	6.6	6.0
Long-term growth	-1 percentage point	-5.5	-5.0

A change in the net asset value of unlisted equity instruments leads to a proportional change in fair value. A reasonably realistic change in input parameters has no significant impact on Vontobel's consolidated financial statements.

### Day 1 profit

When a financial instrument is recognized for the first time, the transaction price provides the best indication of the fair value unless the fair value of this financial instrument can be evidenced by comparison with other observable current market transactions involving the same instrument (level 1 instrument) or is based on a valuation method that uses market data (level 2 instrument). If this is the case, the difference between the transaction price and the fair value – referred to as “day 1 profit” – is recorded in “Trading income” in the case of trading portfolio assets and liabilities, other financial instruments at fair value and derivative financial instruments and is recorded in “Other comprehensive income” in the case of financial investments.

In the case of level 3 instruments, the “day 1 profit” is deferred and only recognized in “Trading income” or “Other comprehensive income” when the prices of equivalent financial instruments or the underlying inputs become observable or when “day 1 profit” is realized. During the financial year and the previous year, no positions with deferred day 1 profit were recorded.

### Reclassifications within the fair value hierarchy

In the first half 2020 (first respectively second half-year of 2019), positions with a fair value of CHF 178.5 mn (H1 2019: CHF 71.3 mn; H2 2019: CHF 97.0 mn) were reclassified from level 1 to level 2 and positions with a fair value of CHF 71.9 mn (H1 2019: CHF 90.3 mn; H2 2019: CHF 219.7 mn) were reclassified from level 2 to level 1. In the event of changes in the availability of market prices (market liquidity) or of binding net asset values of investment funds, reclassifications are made at the end of the period under review. Refer to section 2.2 of the accounting principles for information on the reclassification of exchange-traded derivatives.

**11b Financial instruments measured at amortized cost**

The following table shows the book value, the estimated fair value and the assignment to the fair value hierarchy of those financial instruments that are measured at amortized cost.

**Financial instruments measured at amortized cost**

CHF MN	LEVEL 1	LEVEL 2	LEVEL 3	30.06.2020		31.12.2019	
				FAIR VALUE TOTAL	BOOK VALUE TOTAL	FAIR VALUE TOTAL	BOOK VALUE TOTAL
<b>Assets</b>							
Cash	6,695.2	-	-	6,695.2	6,695.2	7,133.6	7,133.6
Due from banks	-	919.3	-	919.3	919.3	622.6	622.6
Receivables from securities financing transactions	-	975.8	-	975.8	975.8	355.1	355.1
Loans	-	5,572.0	-	5,572.0	5,385.9	5,192.2	5,046.2
Other assets <sup>1</sup>	39.8	798.6	-	838.3	838.3	419.3	419.3
<b>Total</b>	<b>6,735.0</b>	<b>8,265.6</b>	<b>0.0</b>	<b>15,000.5</b>	<b>14,814.5</b>	<b>13,722.8</b>	<b>13,576.8</b>
<b>Liabilities</b>							
Due to banks	-	478.5	-	478.5	478.5	544.2	544.2
Payables from securities financing transactions	-	572.6	-	572.6	572.6	218.7	218.7
Due to customers	-	12,244.2	-	12,244.2	12,244.2	10,506.4	10,506.4
Debt issued	454.2	-	-	454.2	448.4	461.3	448.1
Other liabilities <sup>1</sup>	0.2	898.2	-	898.4	898.4	744.9	744.9
<b>Total</b>	<b>454.4</b>	<b>14,193.5</b>	<b>0.0</b>	<b>14,647.9</b>	<b>14,642.0</b>	<b>12,475.5</b>	<b>12,462.3</b>

1 The position mainly includes the accrued interest as well as open settlement positions.

**Short-term financial instruments at amortized cost or par value**

This includes due from/to banks, loans and due to customers, as well as receivables/payables from securities financing transactions that have a maturity or a refinancing profile of a maximum of one year, the balance sheet item "cash", as well as financial instruments included in other assets/liabilities. In the case of short-term financial instruments, it is assumed that the book value is close enough to the fair value.

**Long-term financial instruments at amortized cost**

This includes due from/to banks, loans and due to customers as well as receivables/payables from securities financing transactions that have a maturity or a refinancing profile of over one year as well as debt issued. Fair value is determined using the present value method. For the valuation of the AT1 bond the ask price is used.

# Off-balance sheet and other information

## 12 Off-balance sheet information

	30.06.2020	31.12.2019	CHANGE TO 31.12.2019	
	CHF MN	CHF MN	CHF MN	IN %
Contingent liabilities	525.7	439.4	86.3	20
Irrevocable commitments	228.2	330.7	-102.5	-31
Commitments for capital increases and capital contributions	0.2	0.2	0.0	0
Fiduciary transactions	1,859.6	2,572.4	-712.8	-28
Contract volumes of derivatives	34,687.1	30,928.9	3,758.2	12

## 13 Litigation

In connection with the fraud committed by Bernard Madoff, the liquidators of investment vehicles that invested directly or indirectly in Madoff funds have filed lawsuits with various courts against more than 100 banks and custodians. The litigation is targeted at investors who redeemed their investments in these vehicles between 2004 and 2008. The liquidators are demanding that the investors repay the sums involved because they consider them to have been obtained unjustly as a result of the redemptions. Since the liquidators often only know the names of the investors' custodian banks, they have filed

the lawsuits against them. Several legal entities of Vontobel are or may be affected directly or indirectly by the litigation in their capacity as a bank or custodian. The claims filed against Vontobel since 2010 concern the redemption of investments. The litigation amounts total around USD 44.1 mn. However, based on the information currently available to it, Vontobel believes the probability of a lawsuit resulting in an outflow of funds is low and has therefore decided not to set aside any provisions for such a lawsuit, but rather to disclose the amount under contingent liabilities.

## 14 Client assets

### Client assets

Client assets is a broader term than assets under management and comprises all bankable assets that are managed by or deposited with Vontobel, including assets that are

held solely for transaction or custody purposes and for which further services are provided, as well as investment products offered by Financial Products to give private and institutional clients access to all asset classes and markets.

### Client assets

	30.06.2020	31.12.2019	CHANGE TO 31.12.2019	
	CHF BN	CHF BN	CHF BN	IN %
Assets under management	193.4	198.9	-5.5	-3
Other advised client assets	15.4	16.5	-1.1	-7
Structured products and debt instruments outstanding	9.8	10.7	-0.9	-8
<b>Total advised client assets</b>	<b>218.6</b>	<b>226.1</b>	<b>-7.5</b>	<b>-3</b>
Custody assets	61.5	62.3	-0.8	-1
<b>Total client assets</b>	<b>280.2</b>	<b>288.4</b>	<b>-8.2</b>	<b>-3</b>

## Assets under management

	30.06.2020	31.12.2019	CHANGE TO 31.12.2019	
	CHF BN	CHF BN	CHF BN	IN %
Assets in self-managed collective investment instruments	59.6	59.6	0.0	0
Assets with management mandate	68.2	71.0	-2.8	-4
Other assets under management	65.6	68.2	-2.6	-4
<b>Total assets under management</b>	<b>193.4</b>	<b>198.9</b>	<b>-5.5</b>	<b>-3</b>
<i>of which double counts</i>	5.2	5.1	0.1	2

Calculation in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting standards for financial institutions and Vontobel internal guidelines

## Development of assets under management

CHF BN	H1 2020	H1 2019	H2 2019
Total assets under management (incl. double counts) at the beginning of the period	198.9	171.1	186.0
Change attributable to net new money	7.4	5.3	6.4
Change attributable to market value	-12.9	13.0	7.6
Change attributable to other effects <sup>1</sup>	0.0	-3.3	-1.2
<b>Total assets under management (incl. double counts) at the balance sheet date</b>	<b>193.4</b>	<b>186.0</b>	<b>198.9</b>

1 H1 2019: Acquisition US-based private clients portfolio from Lombard Odier in April 2019 and reclassification of all private label funds without an asset management agreement as other advised client assets (value as of 01.01.2019: CHF 4.1 bn)  
H2 2019: Management Buy-out Real Estate and sale of Fund of Hedge Fund business

## Assets under management and net inflows/outflows of new money

Assets under management are calculated and reported in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting standards for financial institutions (FINMA Circular 20/01). Assets under management comprise all of the assets managed or held for investment purposes of private, corporate and institutional clients. This includes all amounts due to customers on savings and deposit accounts, fixed-term and fiduciary deposits, and all valued assets. Assets under management that are deposited with third parties are included to the extent that they are managed by a Vontobel company. Assets under management only include those assets on which Vontobel generates considerably higher income than on assets that are held solely for custody purposes or the execution of transactions. These types of custody assets are reported separately. Assets that are counted more than once, i. e. in several categories of assets under management to be disclosed, are shown under double counts. They primarily include shares in self-managed collective investment instruments in client portfolios.

Net inflows or outflows of assets under management during the reporting period consist of the acquisition of new

clients, the departure of clients as well as inflows and outflows of assets from existing clients. This also includes the borrowing and the repayment of loans, as well as the distribution of collective capital investments. The calculation of the net inflow or outflow of new money is performed at the level "total assets under management" excl. double counts. If there is a change in the service provided, resulting in the reclassification of assets under management as assets held for custody purposes or vice versa, this is recorded as an outflow of new money or an inflow of new money, respectively. Securities-related and currency-related changes in market value, interest income and dividends, fee charges, loan interest paid and the impacts of acquisitions and disposals in Vontobel's subsidiaries or businesses do not constitute inflows or outflows of assets.

In the case of assets under discretionary management, the client delegates portfolio investment activities to a Vontobel company. Assets under discretionary management comprise client assets where Vontobel decides how the funds are to be invested based on a prior structured analysis of the client's risk appetite and risk capacity. The information relates to assets deposited with Group companies as well as with third parties for which Vontobel exercises a management mandate.

With assets under non-discretionary management with account and portfolio management, it is assumed that the client himself follows developments in the international capital markets and takes investment decisions. The client requires an account for the settlement of transactions and a custody account for the safekeeping of securities. The client is not actively offered advice.

**Other advised client assets**

Other advised client assets include the assets of clients with special relationships that cannot be reported either as assets under management or custody assets. In addition, assets in self-managed collective investment vehicles without discretionary portfolio management or without individual sales are also classed as other client assets..

**15 Events after the balance sheet date**

No events have occurred since the balance sheet date that affect the relevance of the information provided in the half-year 2020 financial statements and would therefore need to be disclosed.

# Segment reporting

## 16 Segment reporting principles

Segment reporting reflects the organizational structure of Vontobel as well as internal reporting to the Executive Management – Vontobel’s chief operating decision maker. This reporting forms the basis for the assessment of the financial performance of the segments and the allocation of resources to the segments.

Vontobel comprises four Client Units and seven Centers of Excellence. The Client Units serve the following client groups and client needs:

- The Asset Management Client Unit focuses primarily on institutional clients such as pension funds, insurance companies and sovereign wealth funds, as well as third-party banks in the wholesale fund business.
- The Platforms & Services Client Unit focuses on external asset managers, banks and other financial intermediaries.
- The Wealth Management Client Unit serves wealthy private clients (including UHNWIs), entrepreneurs and decision-makers from the SME segment.
- The Digital Investing Client Unit bundles investment solutions for private investors, either directly or via ecosystems, and it also concentrates on the end-clients business with structured products.

All activities that are not directly related to client contact are bundled within Centers of Excellence Investments, Structured Solutions & Treasury, Technology & Services, Marketing & Analytics, Finance & Risk, Human Resources and Legal & Compliance.

Direct costs are allocated to the Client Units and Centers of Excellence. Services provided between the individual units are not subject to charges. Income taxes are managed at Group level and are therefore not assigned to the Client Units and Centers of Excellence.

The Client Units represent the operating and reportable segments according to IFRS 8. Centers of Excellence and reclassifications are shown in the column “Centers of Excellence/Reconciliation”. Segment reporting is basically subject to the same accounting principles as the consolidated financial statements.

## Segment reporting

CHF MN	ASSET MANAGEMENT	PLATFORMS & SERVICES	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	H1 2020 TOTAL
Net interest income after credit losses	0.9	4.7	31.5	0.3	2.4	39.8
Net fee and commission income	246.6	39.5	166.2	0.2	-36.8	415.6
Trading income and other operating income	1.0	29.1	17.8	88.7	30.9	167.6
<b>Total operating income</b>	<b>248.5</b>	<b>73.4</b>	<b>215.5</b>	<b>89.2</b>	<b>-3.6</b>	<b>623.0</b>
Personnel expense	38.6	20.6	74.8	1.7	178.6	314.3
General expense	8.7	2.6	6.1	0.3	85.8	103.6
Depreciation of property, equipment (incl. software) and intangible assets	2.0	0.4	3.5	0.0	41.8	47.8
Provisions and losses	0.0	0.2	0.6	0.0	0.5	1.3
<b>Total operating expense</b>	<b>49.3</b>	<b>23.8</b>	<b>85.1</b>	<b>2.0</b>	<b>306.8</b>	<b>466.9</b>
<b>Profit before taxes</b>	<b>199.2</b>	<b>49.6</b>	<b>130.4</b>	<b>87.2</b>	<b>-310.4</b>	<b>156.1</b>
Taxes						26.9
<b>Group net profit</b>						<b>129.2</b>
<i>of which minority interests</i>						7.5
<b>Additional information</b>						
Client assets (CHF bn)	134.8	76.0	57.8	0.0	11.5	280.2
Net new money (CHF bn)	6.8	0.4	0.3	0.0	0.0	7.4
Employees (full-time equivalents)	168.8	127.7	511.1	12.0	1,177.4	1,997.0

Information on regions<sup>1</sup>

CHF MN	SWITZERLAND	EUROPE EXCL SWITZERLAND	AMERICAS	OTHER COUNTRIES <sup>2</sup>	CONSOLIDATION	H1 2020 TOTAL
Operating income related to external customers	364.3	155.9	47.9	54.9		623.0
Assets	20,150.6	2,763.7	83.2	10,851.6	-5,252.5	28,596.6
Property, equipment and intangible assets	823.4	77.4	7.2	3.6		911.6
Additions to property, equipment (incl. software) and intangible assets <sup>3</sup>	39.0	1.4				40.4

<sup>1</sup> Reporting is based on operating locations

<sup>2</sup> Mainly U.A.E.

<sup>3</sup> Including additions due to changes in the scope of consolidation

## Segment reporting

CHF MN	ASSET MANAGEMENT	PLATFORMS & SERVICES	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	H1 2019 TOTAL
Net interest income after credit losses	1.3	7.6	32.1	1.4	5.4	47.8
Net fee and commission income	235.5	32.0	158.9	1.5	-19.3	408.7
Trading income and other operating income	1.3	37.4	19.7	82.8	27.9	169.1
<b>Total operating income</b>	<b>238.1</b>	<b>77.1</b>	<b>210.8</b>	<b>85.7</b>	<b>14.0</b>	<b>625.6</b>
Personnel expense	38.7	18.9	74.2	1.5	182.6	316.0
General expense	9.5	2.8	7.6	0.3	87.4	107.6
Depreciation of property, equipment (incl. software) and intangible assets	2.0	0.4	4.6	0.0	43.8	50.8
Provisions and losses	0.0	0.3	0.3	0.0	0.9	1.6
<b>Total operating expense</b>	<b>50.3</b>	<b>22.4</b>	<b>86.8</b>	<b>1.8</b>	<b>314.8</b>	<b>476.1</b>
<b>Profit before taxes</b>	<b>187.8</b>	<b>54.7</b>	<b>124.0</b>	<b>83.9</b>	<b>-300.8</b>	<b>149.6</b>
Taxes						18.4
<b>Group net profit</b>						<b>131.1</b>
<i>of which minority interests</i>						6.4
<b>Additional information</b>						
Client assets (CHF bn)	127.9	73.7	59.3	0.0	11.2	272.2
Net new money (CHF bn)	4.9	0.1	0.2	0.0	0.1	5.3
Employees (full-time equivalents)	161.7	128.7	519.0	7.0	1,184.4	2,000.7

Information on regions<sup>1</sup>

CHF MN	SWITZERLAND	EUROPE EXCL. SWITZERLAND	AMERICAS	OTHER COUNTRIES <sup>2</sup>	CONSOLIDATION	H1 2019 TOTAL
Operating income related to external customers	356.5	148.6	54.1	66.4		625.6
Assets	17,903.2	753.2	85.3	9,963.0	-1,340.0	27,364.7
Property, equipment and intangible assets	839.5	84.2	10.4	5.7		939.8
Additions to property, equipment (incl. software) and intangible assets <sup>3</sup>	52.5	0.0	0.3	3.9		56.7

1 Reporting is based on operating locations

2 Mainly U.A.E.

3 Including additions due to changes in the scope of consolidation

## Segment reporting

CHF MN	ASSET MANAGEMENT	PLATFORMS & SERVICES	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	H2 2019 TOTAL
Net interest income after credit losses	1.9	6.2	33.3	2.4	-5.5	38.5
Net fee and commission income	269.7	31.6	166.2	-0.4	-18.5	448.6
Trading income and other operating income	0.0	36.0	18.9	73.3	21.0	149.2
<b>Total operating income</b>	<b>271.6</b>	<b>73.8</b>	<b>218.5</b>	<b>75.2</b>	<b>-2.9</b>	<b>636.2</b>
Personnel expense	40.9	19.9	74.8	1.7	183.8	321.2
General expense	12.2	3.5	5.8	0.3	86.9	108.6
Depreciation of property, equipment (incl. software) and intangible assets	2.0	0.4	4.1	0.0	42.7	49.3
Provisions and losses	0.0	-0.2	0.3	0.0	-0.1	0.0
<b>Total operating expense</b>	<b>55.2</b>	<b>23.7</b>	<b>85.0</b>	<b>1.9</b>	<b>313.3</b>	<b>479.1</b>
<b>Profit before taxes</b>	<b>216.5</b>	<b>50.1</b>	<b>133.5</b>	<b>73.3</b>	<b>-316.2</b>	<b>157.1</b>
Taxes						23.2
<b>Group net profit</b>						<b>134.0</b>
<i>of which minority interests</i>						7.6
<b>Additional information</b>						
Client assets (CHF bn)	137.2	77.9	61.3	0.0	12.0	288.4
Net new money (CHF bn)	6.1	0.4	-0.2	0.0	0.0	6.4
Employees (full-time equivalents)	158.4	131.5	509.6	6.0	1,176.1	1,981.6

## Information on regions<sup>1</sup>

CHF MN	SWITZERLAND	EUROPE EXCL SWITZERLAND	AMERICAS	OTHER COUNTRIES <sup>2</sup>	CONSOLIDATION	H2 2019 TOTAL
Operating income related to external customers	339.5	178.5	54.4	64.0		636.2
Assets	16,054.6	2,683.6	119.0	10,487.4	-3,104.3	26,240.3
Property, equipment and intangible assets	828.3	86.2	8.5	4.6		927.6
Additions to property, equipment (incl. software) and intangible assets <sup>3</sup>	32.2	4.1	0.1	0.0		36.4

<sup>1</sup> Reporting is based on operating locations

<sup>2</sup> Mainly U.A.E.

<sup>3</sup> Including additions due to changes in the scope of consolidation

# Glossary of non-IFRS performance measures and abbreviations

The Executive Board of Vontobel believes that the alternative performance indicators (non-IFRS performance indicators) contained in this document provide readers of the financial statements with valuable and more detailed information about elements of performance that the managers of these businesses can influence most directly or that are

relevant when assessing Vontobel's performance. They also reflect an important aspect of the definition of operational targets and are monitored by Vontobel's management. Nevertheless, the alternative performance indicators in this document are no substitute for IFRS key figures and readers should also take account of IFRS key figures.

KEY FIGURES/ ABBREVIATION	DEFINITION/ REFERENCE
Adjusted profit before taxes/ adjusted pre-tax profit	See table on page 17
Advised client assets	See note 14
Assets under management	See note 14
AT1	Additional Tier 1 bond
Basel III leverage ratio	See chapter "Capital and liquidity"
BIS	Bank for International Settlements
Capital required	See chapter "Capital and liquidity"
CET1	Common Equity Tier 1; see chapter "Capital and liquidity"
Client assets	See note 14
Client deposits	Due to customers
Cost/income ratio	Ratio of total operating expense (excl. provisions and losses) to total operating income
Cost of capital	Costs used for the imputed return on equity
Custody assets	See note 14
EAM	External Asset Manager
Earnings per share	Basic earnings per share based on the weighted average number of shares
Equity ratio	Ratio of shareholders' equity to total liabilities and equity
FINMA	Swiss Financial Market Supervisory Authority

KEY FIGURES / ABBREVIATION	DEFINITION / REFERENCE
Gross margin	Ratio of total operating income to average assets under management (based on average values for individual months)
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Liquidity Coverage Ratio	See chapter "Capital and liquidity"
Net new money / Net inflows or outflows of new money	See note 14
Net profit	Group net profit
OTC	Over-the-counter
Other advised client assets	See note 14
Payout ratio	Proportion of group net profit attributable to the shareholders of Vontobel Holding AG that is distributed to shareholders in the form of dividend payments
Pre-tax profit	Profit before taxes
Price / book value per share	Share price at the balance sheet date in relation to shareholders' equity per registered share outstanding
Price / earnings per share	Share price at the balance sheet date in relation to earnings per registered share outstanding at the balance sheet date
Return on equity	Group net profit as a percentage of average shareholders' equity based on monthly figures, excluding minority interests
Risk weighted positions	See chapter "Capital and liquidity"
SNB	Swiss National Bank
Tax charge	Total of current and deferred income taxes
Tier 1 capital	See chapter "Capital and liquidity"
Tier 1 capital ratio	See chapter "Capital and liquidity"
Value at Risk	Average Value at Risk 6 months; historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

# Investors' information

## Vontobel Holding AG registered shares

Stock exchange listing	SIX Swiss Exchange
ISIN	CH001 233 554 0
Security number	1 233 554
Par value	CHF 1.00

## Ticker symbols

Bloomberg	VONN SW
Reuters	VONTZn.S
Telekurs	VONN

## Vontobel Holding AG Additional Tier 1 (AT1) bond

Size	CHF 450 mn
ISIN	CH041 904 256 6
Coupon	2.625%

## Moody's Ratings

### Bank Vontobel AG

Long-term deposit rating	Aa3
Short-term deposit rating	Prime-1
Long-term counterparty risk assessment	A2 (cr)
Short-term counterparty risk assessment	Prime-1 (cr)

### Vontobel Holding AG

Long-term rating (issuer rating)	A3
Additional Tier 1 (AT1) subordinated bonds	Baa3(hyb)

## Financial calendar

### September 23, 2020

Investor Day

### November 4, 2020

Trading update 9M 2020

### February 11, 2021

Publication annual results 2020

### April 20, 2021

Annual General Meeting 2021

## Contacts

### Investor Relations

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# Our locations

At Vontobel, we actively shape the future. We master what we do – and we only do what we master.

From Zurich, Frankfurt am Main and London over New York and Dubai to Hong Kong – throughout 26 offices, we service our clients.

Find an overview of all our offices on [vontobel.com](http://vontobel.com)



- |            |                      |                    |
|------------|----------------------|--------------------|
| 1 Zurich   | 10 St. Gallen        | 19 Paris           |
| 2 Basel    | 11 Winterthur        | 20 Dubai           |
| 3 Bern     | 12 Frankfurt am Main | 21 Fort Lauderdale |
| 4 Chur     | 13 Hamburg           | 22 Hong Kong       |
| 5 Geneva   | 14 London            | 23 New York        |
| 6 Lausanne | 15 Luxembourg        | 24 Singapore       |
| 7 Locarno  | 16 Madrid            | 25 Sydney          |
| 8 Lucerne  | 17 Milan             | 26 Tokyo           |
| 9 Lugano   | 18 Munich            |                    |

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Vontobel in St. Gallen

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St. Gallen and the entire region embody the qualities that make Switzerland strong and distinctive: successful entrepreneurship and excellent education. Through its presence in this city that lies close to the border of four countries, Vontobel has ties to the St. Gallen-based bank Wegelin – the oldest in Switzerland – which later became Notenstein La Roche Privatbank AG and was subsequently acquired by Vontobel. With its investment solutions, the globally active investment manager Vontobel serves both individual wealth management clients and institutional investors in the city and across the region.

### Legal information

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